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South and East Asia Report

No. 871



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BRIEFS

AFGHAN REFUGEES IN PAKISTAN--Seven Lakh Refugees--About 700,000 Afghan refugees have fled to Pakistan and the number could rise to one million by the end of next month a West German Red Cross official said in Bonn. Many refugees refused shelter because they did not want to split up the family and slept in the open, he said, describing the situation as "catastrophic." A French humanitarian team has reported that about half a million refugees are suffering from extreme cold and a critical shortage of food and medical aid in camps in Pakistan. After a tour of some of the camps, it said the refugees had lung infection because of the severe weather with bronchial pneumonia and tuberculosis affecting all classes and ages. Lack of drinking water and food has caused severe digestive problems, while young children have been hit by a measles epidemic.--Reuter and AFP. [Text] [Madras THE HINDU in English 24 Jan 80 p 5]

RELIEF GOODS FOR AFGHAN REFUGEES -- Islamabad, Jan 24: Further consignments of relief goods for the Afghan refugees continued to pour in and two more consignments have been here since Wednesday, official sources said here today. A West German aircraft, carrying 30 tons of relief goods consisting of foodstuffs and medicines, arrived here last night from Bonn. The second consignment of 40 packets, consisting of tents and medicines, arrived here today through PIA. These packets have been sent by the Turkish Red Crescent Society to Pakistan Red Crescent Society for the Afghan refugees. Official sources added that some brotherly Islamic countries are likely to send their representatives to Pakistan for the handling and distribution of relief goods, to be sent by them. In response to the appeal for emergency aid to Afghan refugees in Pakistan by the Government of Pakistan and the United Nations High Commissioner for Refugees UNHCR, the Government of Japan has donated relief goods amounting to one billion yen (about 4.26 million US dollars) to the Afghan refugees in Pakistan, said a Press release of the Japanese Embassy here today. The relief goods will include food, dairy products, tents, material for roofing and medicine. [Text] [Karachi MORNING NEWS in English 25 Jan 80 p 8]

TERRORIST INTEREST IN AUSTRALIA, SAY POLICE

Sydney THE SYDNEY MORNING HERALD in English 24 Jan 80 p 3

[Article by John Slee, Legal Correspondent]

[Text]

The Federal Police have evidence that international terrorists are interested in Australia, the officer in charge of the force's counter-terrorist training division, Chief Superintendent J. Fletcher, said yesterday.

He was speaking at a two-day RAN legal conference which began at the RAN training base, HMAS Penguin, Balmoral, yesterday.

"We have ample evidence to show we can't assume we are immune from attack," he said. "And there is direct evidence that international terrorists have an interest in Australia."

He said Australia could face a situation similar to that which occurred in Kuala Lumpur in 1978, when Japanese Red Army terrorists held hostages in the US Consulate to press their demands against the Japanese Government, but made no de-

mands against the Malaysian Government.

Such a situation could occur in Australia if, for example, the Red Army took hostages in a building in Sydney and demanded the release of prisoners held in Germany and an aircrift to take them to a third country.

Such a crisis would require close co-operation between the State Government, whose police forth action, and the Federal Government, which would have to negotiate with the foreign countries involved.

Both Federal and State authorities would have to agree on tactics and strategy to be used against the terrorists.

Chief Superintendent Fletcher is believed to have given more specific details of terrorist threats to Australia to the 117 delegates attending the conference, but said such classified information could not be given to the Herald.

CP ENDORSES SOVIET INVASION OF AFGHANISTAN

Dacca THE BANGLADESH TIMES in English 15 Jan 80 p 7

[Editorial: "Ominous"]

[Text]

The Communist Party of Bangladesh make are tain statements at its public meeting on Survey which could not but be described as ominous. When foreign intervention in the domestic affairs of a country, big or small, is being universally condemned, the CPB has not only acclaimed the presence of foreign troops in Kabul, but its leaders have, in effect, declared their intention to create a similar situation in Bangladesh. The dangerous implication of such a statement for the sovereignty and welfare of the country cannot be lost on any conscious citizen.

It is natural that political parties will take a stand on international issues, but the overriding concern while expressing such viewpoints should be the interest of the country in which the political party functions. If extra-territorial inclinations of any political party compel it to include in activities contrary to the sovereign interests of the nation, the masses must take note of such deplorable motives and discard their perpetrators.

Sovereignty of any nation is indivisible and the political and economic processes operating within the domains of the country should be directed to the consolidation or sovereignty and the prosperity of that nation. The slogans of violence and those which compromise our hard earned national independence certainly run counter to a democratic polity and its supportive institutions.

At the centre of the Kabul crisis are the fundamentals of international law which have been violated. The right of a nation to choose a government of its own is inviolable and this can never be suppressed under any pretext by any outside force. What has happened in Afghanistan is clear undermining of that right by the presence of foreign troops. The intervention has created apprehension of destabilisation throughout the whole region, beyond Afghanistan's borders. And in a situation like this the task of all patriots is to be on constant guard to be able to resist any threat to national sovereignty and independence.

JSD PROGRAM FOR BROADER UNITY

Dacca THE BANGLADESH OBSERVER in English 20 Jan 80 pp 1, 12

[Text] Jatiyo Samaijtantrik Dal (JSC) on Saturday announced a programme for a mass movement to "topple the present regime" and form "an alternative leadership to the present Government." The party will declare its "future course of action" for launching the mass movement and achieving its goal "for the people and by the people" at a public meeting at Baitul Mukarram on February 6.

Announcing the party programme at a Press conference at the party central office: the JSD leaders urged all progressive and democratic political forces to forge a greater unity sinking the petty party and individual interests to launch a mass movement with a view to saving the country from the present "political crisis and vacuum."

The JSD leaders termed those parties and forces as "progressive and democratic" which would launch movement for the freedom of the people from the present rule. They, however, made it clear "there is no possibility of political link between JSD and anti-liberation forces." Commenting on the Bangladesh Nationalist Party (BNP), the JSD leaders said "it is not a progressive and democratic party."

Reading out a 24-page "programme for movement, which the JSD leaders termed as the "minimum programme," the party Executive Secretary, Mr Shahjahan Strai, demanded release of all progressive and democratic political leaders and workers including JSD leaders Mr Sirajul Alam Khan, Major (Rtd) M. A. Jalil and Mr A. S. M. Abdur Rab. The JSD programme included demand for repeal of the Fourth and Fifth Amendments of the Constitution return of fundamental and democratic rights of the people, establishing rule of law and guaranteeing the sovereignty of the Parliament.

On agricultural sector, JSD demanded ceiling of land holdings distribution of land among the landless peasants through peasants cooperatives, fixation of minimum price of the items produced by the peasants, launching of a short-term national programme for canal digging and construction of embankments with a long-term programme for dredging of main rivers and for conservation of water and repeal of the Bangladesh-Thailand agreement on fisheries.

In industrial sector, the party demanded withdrawal of the policy of denationalising the industries in the nationalised sector, reserving 50 per cent in the management of the nationalised industries for elected representatives of workers, keeping all heavy industries in the nationalised sector and others in the private sector. in the nationalised sector and others in the private sector, restoration of the right for strike by workers and repeal of all anti-worker labour laws. In the administrative side, JSD demanded replacement of the colonial administrative legacy, creation of 'poura government' in municipal areas, decentralisation of the administrative system and eradication of corruption from the administration.

JSD demanded introduction of free compulsory education upto Class VIII, making the education system into production oriented one and introduction oriented one and introduction oriented one and introduction of compulsory military military. tion oriented one and introduc-tion of compulsory military training for students. The party demanded equal rights for both men and women and to make the dowry system ille. gal. It also demanded rehabili-tation of freedom fighters and their proper rehabilitation in the society. JSD demanded autonomy for the tribal people in Chittagong Hill Tracts. On international relations, JSD demanded parsuance of non-aligned policy, repeal of all unfavourable pacts with other countries, repeal of Farakka and Peace Corps aggreements,, non-interference in the internal affairs of any country by the Super Powers and total support to Palestinians. Replying to a question the JSD leaders said that they opposed both Soviet aggression on Afghanistan and the US imperial list move Commenting on the present situation in Iran, the JSD

present situation in Iran, the JSD leaders said "we don't support 'Khomeini's behaviour".

Asked to comment on the Indian election JSD leaders said that it was an internal matter of India. "We are not d'splea-sed with Mrs. Gandhi's victory neither we have any reason to be enthus astic over her victory" they said.

Replying to a question Mr. Shahjahan Siraj who is the leader of the JSD Parliamentary Party said that the unity of different parties and independent groups inside the Parliament on certain common issues was a "limited one". He was hopeful of achieving the goal of the "united movement .

BKSAL PLAN WILL FOIL IMPERIALIST PLOT

Dacca THE BANGLADESH TIMES in English 25 Jan 80 p 5

[Text] Munshiganj, Jan 24: If the BKSAL programme is implemented the conspiracy of the imperialist powers will be foiled and socialism will be established in the country for the benefit of the common man.

This was stated by Vice-President of Awami League (Malek), Syeda Zohra Tajuddn, at a already attended public meeting held were in the stadium ground on Monday.

The General Secretary of the Awani League, Mr Abdur Razzaque, addressing the meeting said that the creation of BKSAL by Sheikh Mujibur Rahman was not an one-party political organisation but it was an organisation on all-party basis which was a symbol of unity.

The Organising Secretary of the Awami League, Mr Tofael Ahmed, criticised the government for what he called failure in running the administration and said that freedom of the country was not at all safe at the hands of the present rulers.

Begum Matia Choudhury, who has recently joined the Awami League, said the people are suffering now because of the price spiral of different essential commodities. The Government has completely failed to stop the sky high price, she said. A former Information Minister and a central leader of the Awami League also criticised the present Government for doing nothing to ameliorate the lot of the common man.

BANGLADESH

CAMPAIGN AGAINST SMUGGLING HAILED

Dacca THE BANGLADESH TIMES in English 20 Jan 80 p 7

[Editorial: "To Fight Smuggling"]

[Text] Evidently, the countrywide anti-smuggling fortnight, which began on January 15, has been launched now in order to gear up measures against smuggling throughout the year. It is very necessary, and we should hope that the objectives would be achieved.

That checking of smuggling is essential for our economic and also moral regeneration can hardly be exaggerated. The question is how effectively we can do it. Smuggling is not a new phenomenon here or in other countries. In our circumstances, however, it sometimes assumes alarming proportions with disastrous consequences for the economy in particular and the society as a whole. The massive smuggling across the borders during the early years of independence, for instance, hit the economy hard, and is said to have contributed to the aggravation of the 1974 famine and the promotion of many social evils at that time. Later on, this wave was appreciably checked. The economy too showed a remarkable recovery then. But again, the grip was somewhat lost sometimes afterwards and it is now felt that the anti-smuggling measures need to be reviewed and reorganised for regaining the earlier momentum or for making them stronger. It is in this context that a special fortnight is being observed. And for making it a success, we have to go to the root of the causes of smuggling.

First, as no large scale smuggling is possible without any well-knit organisation of smugglers they can be curbed only by attacking and eliminating their organisations. There are reports that such organisations exist in Bangladesh, which temporarily reduce their nefarious activities as a tactical move according to the exigencies of time and then again raise their heads conveniently. We would stress the need for unearthing them and for ruthlessly dealing with them. Second, various reports also suggest that the operation of some international smuggling is being routed through Bangladesh. If these reports are true, stern and firm actions must be taken against this. Third, people's active participation in anti-smuggling campaign is a condition precedent to its success. All possible steps should be taken to acquaint the masses, through publicity, and to associate them with the government's anti-smuggling moves and measures. Fourth, steps

should be taken to discourage the use and sale of various luxurious goods which are found to encourage smuggling. Fifth, certain malpractices around the Wage Earners' Scheme have reportedly developed, providing a fillip to smuggling. These should be checked.

Hoping that the authorities would give due consideration to the above suggestions for effectively checking smuggling, we wish the antismuggling fortnight a success.

CALL FOR COOPERATION TO WIPE OUT SMUGGLING

Dacca THE BANGLADESH OBSERVER in English 21 Jan 80 p 1

[Text] The Home Minister, Lt Col (Retd) A.S.M. Mustafizur Rahman, on Sunday night called upon the people to wipe out smuggling from the country for good, reports BSS.

He made the appeal in a Radio-TV address on the eve of the "anti-smuggling fortnight" being observed throughout the country from today (Monday).

The Minister recalled that in the past our patriotic people had come forward in an organized manner to cooperate with the government's anti-smuggling activities and make them successful. He said that resistance to smuggling is not a temporary or seasonal affair. So we must build up a permanent and effective system of resistance to wipe out this evil and protect our country's wealth, he stressed.

Mr Mustafizur Rahman said, anti-social elements had made repeated attacks on the sovereignty and independence of Bangladesh. He said that these anti-social and anti-state elements and smugglers were still continuing their evil activities. Unless the people put a stop to their activities all the revolutionary programmes undertaken by the Government for boosting the production of foodgrains and jute would be jeopardised, he observed.

He recalled that taking advantage of the unsettled conditions prevailing in the country immediately after liberation, smuggling across the border suddenly increased tremendously. Rice, jute, cooking oil, fish, poultry, metals, in fact, all kinds of goods including those imported by spending our hardearned foreign exchange, were smuggled out.

He said, the situation created by interested quarters at that time became so critical that the economy was brought to near ruin conditions overnight. On the one hand, the smugglers amassed mountains of wealth for themselves through smuggling on the other they brought on untold sufferings in the lives of countless people of the country, he said.

The Home Minister said, after the historic change in 1975, concerted efforts of the people, BDR, Police Ansar Village Defence Parties, Navy

and Customs authorities, smuggling began to decline. As a result, he said during 1975, 1976 and 1977 smuggling decreased substantially compared to that of 1974. However, recently, the smugglers had again stepped up their evil activities.

According to an estimate during the past 11 months from January to November of 1979 alone, goods worth more than taka 2 crore, brought to the border for smuggling out, had been seized, 7,133 cases started against smugglers and 6,126 smugglers had been hauled up.

The Home Minister said the BDR, Police Ansar, Village Defence Parties and Customs authorities had intensified their anti-smuggling operations from time to time. The Government has formed thana and district level anti-smuggling committees to check the smuggling.

Concluding, the Home Minister appealed to the people to participate in the anti-smuggling operations and make it a complete success.

[Captions in box] -- Smugglers hand over country's valuable resources to foreigners, they are our enemies.

--Help arrest them.

--Smugglers are hindering country's development by smuggling out resources abroad.

-- Their evil activities must be stopped.

PRIME MINISTER URGES RESISTANCE TO BKSAL ORGANIZATION

Dacca THE BANGLADESH OBSERVER in English 25 Jan 80 p 1

[Excerpt] Munshiganj, Jan. 24:--President Ziaur Rahman reiterated here today that the "destruction, plundering and misrule of Awami-Baksalites" had driven the country 15 years back, reports BSS.

"The present Government" he said, "was trying its utmost to regain the position and make the country developed in all sectors."

Addressing a largely-attended public meeting at local stadium here, the President pointed out that by the grace of Almighty Allah, we have succeeded considerably in reestablishing the honour and dignity of the country. We have reestablished faith of our people and through our positive role, we have earned reputation from the outside world also.

President Zia, who is also the Chairman of Bangladesh Nationalist Party (BNP), said that the Awami-Baksalites were again out to frustrate the development process of the country. Through their politics of destruction and creating chaos and confusion they are again out to fulfill their evil design, he pointed out.

Referring to the activities of "Baksalites," the President gave a call to the people to build up strong organisation amongst themselves and resist their "evil designs."

Pointing out the "Revolution" the President said that for the greater interest of the country, the Government, under the leadership of Bangladesh Nationalist Party (BNP) started the Revolution. He said, the "Revolution" was not a new idea. It was nothing but the implementation of BNP's "revolutionary programmes" which were duly endorsed by the people during the last elections.

NEC APPROVES REVISED ANNUAL DEVELOPMENT PROGRAM

Dacca THE BANGLADESH TIMES in English 9 Jan 80 p 1

[Text] The National Economic Council on Tuesday approved a programme of Taka 2,212.90 crore as compared to the original Annual Development Programme (ADP) of Taka 2,070 crore to accommodate the additional requirements of funds for national priority projects and programmes, reports BSS.

The approval came at a meeting of the NEC held at Bangabhaban with President Ziaur Rahman in the chair which reviewed the requirement of funds for implementation of ADP for the current financial year and considered measures needed for mobilisation of additional resources required for the implementation of national priority projects and programmes.

Earlier in the beginning of the year ADP for Taka 2,070 crores was approved for 1979-80. But subsequent to the approval of ADP certain national priority projects and programmes emerged which necessitated provision of additional funds during the current year.

The major priority projects and programmes for which additional funds are required are expansion of irrigation facilities increase procurement and distribution of fertilizer seeds and pesticides for increased food grains production to mitigate the adverse effect of the drought experienced in early months of 1979.

Additional resources are also needed for meeting investment requirement of the special canal digging programme and installation of pumps on the canal banks, intensification of exploration work for oil and gas and Kailash Tilla gas well project.

Additional funds are also required for Ashuganj fertilizer factory, Kurmitola International Airport, Teesta barrage Chittagong dry dock presidential commitments in the power sector, mass literacy campaign and improvement of roads in old Dacca city.

Earlier in the morning session the NEC reviewed the progress of development activities in the labour and industrial sector.

The session presided over by Prime Minister Shah Azizur Rahman reviewed the progress of work on the construction of multi-storied flats and workers, hospitals measures taken so far to improve the health and sanitation conditions in the mills premises and in the workers colonies and the recreational facilities.

It further reviewed the ADP performances in the labour and industrial sector.

INDUSTRIAL CREDIT UP 13.4 PERCENT

Dacca THE BANGLADESH OBSERVER in English 5 Jan 80 p 1

[Text]

Industrial finance to mobilize resources for investment in industry increased by about 11.46 per cent to 122.32 crore Taka during 1978—79 fiscal year. Bangladesh Bank Annual Report said reports BSS.

The finance in the form of loan, underwriting bridge finance and debenture finance totalled 108.19 crore Taka during 1977—78 fiscal year.

Bangladesh Shilpa Bank Bang ladesh Shilpa Rin Sangstha and Investment Corporation of Bangladesh are the operative tindustrial finance institutions here.

industrial finance institutions here.

According to the report share of private sector industrial undertakings in the industrial finance grew substantially and ranged between 90 to 90 per cent of the sanctioned amount During the vear ending June 1979, the Investment Corporation of Bangladesh and its consortium committed Taka 23 31 crore as compared to Taka 23 99 crore in the preceding year, ICB committed Taka 13.97 crore which included Taka 12.35 crore worth of underwriting and bridge finance the balance being debenture finance compared Taka 13 43 crore committed by ICB in the previous year.

The Bangladesh Shillpa Bank

Vious year.
The Bangladesh Shilps Bank sanctioned a total of Take 50.19

crore during 1878—79 compared to 39.83 crore in the preceding year. The amount which included Taka 23.81 crore in foreign exchange and Taka 28.38 in

local currency, has a private sector share of 98.39 per cent against 86.67 per cent of last

vear.

Total disbursement of loans during 1979—79 amounted to Taka 28.12 crore compared to Taka 11.57 crore in the last year. Private sector received Taka 27.99 crore representing 99.54 per cent.

The Banglade h Shilpa Rin Cancello appetioned Taka 48.22

During the year (1979-Taka 21.31 crore was disbu as against Taka 10.96 cror

as against Taka 10.96 crore the previous year marking a increase of 94 43 per cent.

As a measure of developing a sound capital market in the country the Dacca stock exchange which was re-opened as reactivated from the middle of 1978 has enlarged its activitation of the number of public committees in the exchanging of the public committees of the public committees of the public committees of the exchanging of the public committees of the exchanging of the public committees of the exchange of the ex

INDUSTRIAL GROWTH UP BY 8.7 PERCENT

Dacca THE BANGLADESH OBSERVER in English 3 Jan 80 p 1

[Text]

While the actual industrial growth in 1978—79 outstripped the projected growth rate, the agricultural output failed to match the antic pased growth target. The agricultural production increased by only 1.3 percent during the year under review as against the targeted increase of 4.3 percent in 1978—79 and the actual growth in the preceding year, 1977—78. The industrial output rose by 3.7 percent during 1978—79 as against the targeted growth of 7.2 percent for the year.

The annual report (1978—79) of the Bangladesh Bank while reviewing the performance of the national economy during the last fiscal year, noted that the GDP rose by four percent only in 1978—79 against the projected growth rate of 3.5 percent. The decline in the growth rate during 1978—79 was mainly due to the unsatisfactory performance of the agricultural sector.

sector.

The annual report of the Bangladesh Bank was released to the Press on Wednesday.

About the industrial growth, the report noted that the increase in the industrial production was widespread and occur red mainly in the case of cotton vain, cotton cloth, newsprint cigarettes matches steel. fertilizer, chemicals and natu, ral gas However the output of jute goods, paper and board cement, sugar, tea and veget-

able products declined some, what during the year under re

what during the year under report.

In the agricultural sector the report mentioned that the production of rice declined by 2.05 per cent during the year while tea production came down by two per cent to 79.43 million libs. Raw jute production, on the other hand, rose by 23 per cent to 67.73 lakh bales during 1976—79. The reason of decline in production was unfavourable weather condition.

The Bangladesh Bank in its annual report noted that the overall price situation in the country continued to provide a cause for concern during the year under review and prices of a large number of essential consumer goods recorded substantial increases due to reduced availability in the face of substantial expansion in Liquidity. The cost of living index for the middle class poople in Dacca (1969—70=100) increased from 457.27 in June, 1978 to 522.85 in June, 1979, indicating an increase of 14.34 per cent over the year. The consumer price index for Narayan gant industrial workers (1989—70=100) stood at \$25.19 in June, 79, showing an increase of 19.32 per cent over the year. The overall food situation in

the country diteriorated during 1978—79 due to the reduced availability of foodgrains in the country on account of lower domestic production of rice and substantially smaller imports. The country average price of coarse and medium rice show, ed increases of 33 per cent and 58 per cent respectively during the year the report says. Resarding the prospects of the economy for 1979—80, the annual report of the Bangladesh Bank pointed out that sarly part of the current year had witnessed further deterioration in world energy supply and price situation. The production target for increased aman crop may also not be achieved due to weather conditions. While stating that there is need for larger development outlay in 1978—79 which is the final year of the Two, Year Plan in order to ensure an appropriate setting for launching of the Second Final Year Plan from Johy. 50, the report left that there was a greater need for "a demanding fiscal and monetary management" during the current financial year. Supply namagement will also in the price pressures while the generated in the price it further observed.

On the monetary situation in the economy during 1978-79 the report said that the money supply defined in the narrow sense of notes in circulation recorded an expansion of Taka 258.3 crores or 21 percent to Taka 1515.06 crores. The increase in money supply was largely brought about by the credit expansion in both public and private sectors and a sizeable surplus in the country's international account. Apropos the broad money which includes the narrow money plus time deposits, the increase was to the tune of 24 percent during the year as against 21 percent in the previous year.

The outstanding level of bank credit in the national economy recorded a substantial expansion of Taka 439.70 crores (27.42 percent) to Taka 2042.87 crores during 1978-79 as compared with the expansion of Taka 300.92 crores (23.11 percent) during the previous year. In the agricultural sector total amount of credit disbursed by all the credit agencies under their normal credit programme during the year under review amounted to Taka 125.97 crores as compared to Take 90.88 crores in the preceding year. Under the special agricultural credit further an amount of Taka 41.37 crores were disbursed in 1978-79 % against Taka 69.92 crores disbursed during the preceding year. Besides, an amount of Taka six crores were disbursed under the credit programme for the development of pond fishery.

The nationalised commercial banks disbursed an amount of Taka 5.62 crores in 1978-79 as credits for the housing sector. Besides, the House Building Finance Corporation disbursed Taka 55.88 crores during the period under review of which Taka forty crores were disbursed for construction of multistoried buildings.

The annual report of the Bangladesh Bank pointed out that as a result of substantial expansion of bank branches in rural areas and provision of higher rate of interest on rural deposits there was a substantial increase in deposits in the rural areas. Rural deposits which stood at Taka 231.62 crores at the end of June 78 increased by 33 percent to Taka 307.86 crores at the end of December 78. Total deposits recorded a sharp expansion of Taka 413.61 crores to Taka 2113.40 during 1978-79 as compared with the increase of Taka 247.84 crores during the preceding year. During 1978-79, 447 new branches, out of which 348 branches in the rural areas were opened by the six nationalised commercial banks thus raising the total number of branches to 2979 as on June 30, '79.

The actual export earnings of the country during the year under review stood at Taka 917 31 crores against the target of Taka 900 crore. The export earnings in 1978—79 was 740 61 crores during 1977—79. Against a total import allocation of Taka 1500 crores, actual import utilization under the Import Policy during 1978—79 was estimated at Taka 1983 crores. The everall balance of payments showed a surplus of Taka 50.77 crores during the first nine months of 1978—79 in contrast to a deficit of Taka 113 19 crores during the corresponding period of 1977—78. The improvement in the payments position was mainly attribut, able to a marked increase in unrequired transfers' and net inflow under capital transactions. Foreign exchange reser, yes (convertible) increased by Taka 187.37 crores to Taka 592.14 crores (excluding Saudi grant of Taka 16.00 crores) at the end of June 79.

disbursements at \$1014 million during the period under review recorded a considerable increase of 27.4 per cent from: the level of \$766 million in 1977—

Referring to Government efforts to focus its attention on mounting price pressures to stabilise the economy during 1978—79 the annual report observed that the government on the demand side had succeeded in achieving the goal of a balanced budget which entailed adoption of hard options like raising fertiliser prices as well as ration prices of rice and wheat and prices of other public utility services and products of public enterprises. For de. mand management a cautious approach was followed in framing the monetary and credit programme for the year. The annual report observed that vigorous efforts were made on the supply side by the Govern ment prices of rice, increasing the use of fertilizers high vield ing variety seeds and other in-

MANPOWER EXPORT POLICY OUTLINED

Dacca THE BANGLADESH OBSERVER in English 7 Jan 80 p 1

[Text] The national policy on manpower to achieve the target of exporting work force numbering one million to Middle Eastern, African and some South American and Asian countries during the next five years has been worked out and is awaiting final approval, reports BSS.

The Deputy Prime Minister Mr S. A. Bari A. T. in charge of the Ministry of Manpower Development and Social Welfare, who leaves today (Monday) on a tour of six Middle Eastern and African countries to negotiate deals in manpower export with governments there gave a broad outline of the national policy to be announced shortly in an exclusive interview with BSS in Dacca on Sunday.

He said that the national policy would envisage formulation of consortium of local firms and agencies to handle projects abroad in the fields of construction, industry, agriculture and other sectors, undertaking of demographic survey for assessment of manpower position in the country in terms of vocations creation of job banks at district level. It will also draw up programmes to train manpower in vocational and technical fields organise institutional facilities abroad for easy and dependable remittances by Bangladesh nationals and open overseas employment offices abroad.

During the tour the Deputy Prime Minister will visit Qatar Oman Bahrain Iraq Zambia and Nigeria to make an on-the-spot assessment of the manpower absorption in those countries and discuss with government leaders various aspects of manpower export.

Mr Bari said that the proposed construction consortium comprising private firms and agencies would work under direct guidance of the government. He said that the consortium would undertake major projects in foreign countries involving nearly 60 percent of total manpower export in future from Bangladesh which at present enjoys fourth position in manpower supply after India, Pakistan and South Korea.

He said that a Taka five crore project would be undertaken by the government to train construction workers for the consortium including masons, carpenters, plumbers, fitters, welders and other skilled and unskilled personnel.

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The export of manpover the Deputy Prime Minister said would be mobilised on the basis of a scientific demographic survey in collaboration with the World Bank to list out persons throughout the country in terms of vocations and trades and accordingly plan their absorption abroad.

The Deputy Prime Minister said that job banks would be set up in all districts as part of well planned network of employment service and facilitate registration of persons trade wise. He said that the national policy would lay emphasis on training programme for which an amount of Taka 56 crore was expected to be spent during the next five years for setting up more vocational and training centres and introduction of trade courses in the existing institutes. The programme will also include introduction of spoken Arabic courses, he added.

EXPANSION OF EMPLOYMENT MARKETS ABROAD URGED

Dacca THE BANGLADESH OBSERVER in English 25 Jan 80 p 5

[Editorial: "Manpower Export"]

[Text]

Manpower and the proper use of it have become questions of prime concern in some countries. The same issues have drawn the attention of all concerned largely because of the urge for development on the one hand and the upgrading of know-how and technology on the other. Countries that have more of natural resources but less of manpower, find it difficult to increase the ievel and supply of skilled manpower from within. They are found falling back upon other labout surplus economies in the same way as they do in seeking the sources of capital-for meeting their requirements. Contrarily, labour surplus economies like that of Bangladesh have been found utilizing the modus of manpower export both to earn foreign exchange and to reduce the pressure of unemployment st home. As a result a common ground is found by the exporters

and importers of manpower while coming to some terms and conditions vis-a-vis the workforce seeking jobs abroad.

These terms and conditions of employment in foreign countries have yet to get a common pattern. Employers and job-seekers try to settle them under the supervision and guidance of the authorities in their respective countries. Tenuous negotiations often take place between the authorities of different countries for putting the migrant workers on similar footings as that of the local workers. Even some international standards have been adopted by the International Labour Orga nization for obviating difficulties faced by migrant workers. These standards often call for giving identical or equal rights to the irrespective of their workers country of origin. They are yet to be adopted by all countries and as such bilateral deals take

place between expiriting and importing countries. Bangledesh has done the same bilateral deals with virious countries with a view to safeguarding the interest of migrant workers.

The Deputy Prime Minister in charge of the Ministry of Manpower Development and So cial Welfare Mr. S.A. Bari, has undertaken a tour of two Midel? Eastern and two Atrican countries in the last week. His trips to Qatar, Bahrain, Kenya and Zambia were directed towards expanding employment market for the migrant workers and towards entering into bilateral deals for supply of skilled, semi-skilled workers and professionals. As stated by him, these four countries "showed keen interest in having cooperation in the fields of construction, education and also in having technical, skilled and unskilled manpower from Bangladesh" Apparently scope of cooperation is widering and Bangladesh may be required under bilateral deals to widen her base for training of workers and to extend the operation of * its construction agencies to otherwise resourceful but manpower hungry countries. And, it is a propitious proposition that

Bangladesh should take up with due care.

As stated, around one million workers may find job in these countries as well as in countries in other parts of the world. For. this education and training of our manpower has to be geared also to the need of friendly countries. Obviously, more of institutional facilities would have to be created and the existing facilities should be fully utilized, if necessary, by conducting morning and evening courses. This is a gigantic task and it is hoped that the official agencies concerned will do their best in coping with the demands and in meeting the expectations of the prospective jobseekers. The scope of employment of migrant workers is co-terminous with the sectoral activities in the host countries and. as such, programmes have to be taken up with foresight. Incidentally, the need of the country itself has to be kept uppermost so as not to enter into the trap of brain-drain. which affects the growth of any economy. In other words, our commi ments abroad should be assessed in the context of our domestic needs for getting balanced development in the field of manpower.

URGENCY OF POPULATION CONTROL EMPHASIZED

Over 14 Million Increase

Dacca THE BANGLADESH OBSERVER in English 18 Jan 80 p 1

[Text] Rajshashi, Jan. 17: Population of the country has increased by about 14 million during the last seven years bringing the total to about 87 million, Planning Minister Dr. Fashiuddin Mahtab said here.

Talking to BSS yesterday, the Planning Minister said of the total 87 million population 70 million of them are living below poverty level and 52 million are suffering from malnutrition.

He said about 9.5 million people were either unemployed or underemployed in the country.

Dr Mahtab said the population of the country was increasing at an alarming rate and added that if it was not tackled seriously, the population will be increased by 40 million by the end of the century.

Adverse Implications

Dacca THE BANGLADESH OBSERVER in English 19 Jan 80 p 5

[Editorial: "Population Control"]

[Text] In the context of the present demographic situation the urgency of intensifying the drive for population control can hardly be overemphasised. Population of the country has increased by about 14 million during the last seven years bringing the total to about 87 million. According to the Planning Minister Dr Fasihuddin Mahtab of the total 87 million population 70 million are living below the poverty line and 52 million are suffering from malnutrition. About 9.5 million people are either unemployed or underemployed. This gives one cause for serious concern.

The Planning Minister has rightly cautioned that the population of the country was increasing at an alarming rate and that if it were not tackled seriously, the population would increase by 40 million by the end of the century.

This rising trend in population has highly adverse multi-dimensional implications for the economy of the country. A huge amount of resources would be necessary to provide essential requirements like food, shelter, education and health etc., whereas our resources are limited. Moreover. the number of dependents is reportedly as high as 54 percent. Of these dependents, the population in the age structure of 0-14 years is approximately 30.5 million as against more than 18 lakh population within the age structure of 65 years and above. This vast number of dependents constitute a big burden upon the earning members of the population. With the increase of population this number would multiply alarmingly. As a result unusual pressure would be created in the social and economic fields, leading to problems in the provision of food, shelter, education, health and employment opportunities for the vast multitude. This population explosion would also create undue pressure on the available limited land for accommodation, cultivation, national income and contribute to the deterioration in the ecological balance and environmental pollution.

Government is quite conscious of the impact of population explosion and various measures have been taken with the result that the three percent annual growth rate in the number of population during the First Five-Year Plan (1973-78) has come down to an estimated 2.8 percent. The First Five-Year Plan, however, predicted in 1973 that even if Bangladesh were able to achieve a zero population growth rate in 30 years requiring a drastic reduction in fertility, which no other country has been able to achieve in such a short period of time, the population would increase to over 150 million by the turn of the century.

There are, however, different demographic projections for Bangladesh which underscore the necessity of adoption of some revolutionary steps for population control. No civilised measure would be too drastic to keep the population of the country on the smaller side for sheer ecological viability of the nation. For this the whole nation has to be mobilised in a more organised manner.

Organisationally the population control programme has to be geared up strongly. Family Planning field workers have got to be more dynamic and the population control programme has to ensure prompt and clinical services for family planning at the clinics hospitals with adequate follow-up measures. Although all eligible fertile couples would be the target population for continuous motivation programmes, major emphasis should be placed on couples where the wife is under 30 years of age. About 65 percent of all fertile women belong to the age group of 15-30 years contributing about 82 percent of all births. Incentivies should be given to parents having two children.

The modest rise in GDP is almost being eaten up by high growth in population. All our current development efforts would fail to improve the quality of life of the people unless this problem is tackled on a top priority basis.

STERILIZATION TARGETS INCREASED FOR YEAR

Dacca THE BANGLADESH OBSERVER in English 5 Jan 80 p 1

[Text]

The Government has chalked out a programme of sterilising 2.40 lakh persons during this year as against 95 shousand annually during the last three years, reports BSS

This was disclosed at a meeting of the National Economic Council held in Daces on Friday at Bangabhaban which reviewed the progress of implementation of development actitities in health, population control and family planning sectors, it was officially stated.

The meeting was presided over by Prime Minister Shah Azizur Rahman.

The meeting was informed about the various measures

being taken to improve the family planning activities including more efficient service deling more efficient service deling more efficient service deling the last three months there has been substantial improvement in the sterilization, injection, new IOD; menustrual regulation and conventional methods of condom and pills. About 100 doctors have recently joined the family planning programme for strengthening the clinical services.

A package of legal measures in support of family planning programme including maternal health, maternity benefits, minimum age of marriage and incentive for small hamily the has been submitted to the NEO

AEROMAGNETIC OIL SURVEY BEGINS

Dacca THE BANGLADESH OBSERVER in English 4 Jan 80 p 1

[Text]

The second aeromagnetic survey to identify areas most suitable for the further exploration of potential oil and gas fields in Bangladesh was formally insururated in Dacca on Thursday by the Petroleum and Mineral Resources Minister, Mr. Akbar Hossain saus R.S.

The project as joint venture of Petrobangia and the soological survey of Bangladesh is heing implementated under British technical co-operation programmes in Bangladesh. The operation commenced on December 17, last and scheduled to be completed by April 15.

Insugurating the project Mr. Akbar Hossain said that the asromagnetic survey would be a great grep forward for hydrocarbon exploration in the country. He said that the survey would provide our geologists with an insight to understand the seological framework of the country including the development of basins.

The Minister boned that the immense hidden resources of the country would be exploited for the benefit of our people.

He said, so far we have discovered gas and matural resources worth more than 100 million US dollars which are put so he utilised due to lack of investment. In this connection, he appealed to the developed countries to come forward to helt us develop our natural resourter the henefit of manking

The Minister appreciating the British Government for providing finance to this timely sero-megnatic survey through properties. Hoped that the Bangramme, Hoped that the Bangramme is supplyciate would also be trained in the technique of the survey as well as its inter-

Speaking on occasion, asking British Eigh Commissioner in Bangladesh, Mr. Martin I. Hime said that the survey would lead to the development of the gas industry and other mineral entraction industries to the beautiful of the people of Bangladesh countries according a

80 thousand pounds, the project is the largest in a single financial year under the British tochmical co-operation programme by added.

Secretary, Ministry of Petro leum and Mineral Resources Director General of geologica Survey of Bengladeth and Chair man of Petrobaseth also spoke on the occasion.

NEW HOPE FOR FARMING IN COUNTRY

Dacca THE BANGLADESH OBSERVER in Englishl Jan 80 p 5

[Article by H. R. Talukdar]

[Text]

THE scientifically developed THE scientifically developed modern rices are no longer miracles, but higher yields from plants incorporated with more favourable yield contributing factors and more suited to our agro-ecological conditions are certainly newer gains. BRIO and BRII, two of the latest varieties developed by scientists at the Bangladesh Rice Research Institute (BRRI), offer us fresh hope for further expansion of areas under high-yield notential modern rice varieties. They await to be released soon for cultivation in Bangladesh as a transplant Aman crop.

Aman is the most important

as a transplant Aman crop.

Aman is the most important rice crop in Bangladesh and covers some 60 per cent of our rice area, but we have only four modern varieties for cultivation in this season. Of them Biplab (BR3) and Britsail (BR4), developed at BRR7 and IR5 and IR30, developed at the International Rice Research Institute (TRRI) in the

and IRS and IR30, developed at the International Rice Research Institute (IRRI) in the Philippines, were specifically developed for this season. But, although they yield 60-70 maunds ner acru, they do not possess all the good qualities required of them and face limitations in their wide acceptance. Of the four varieties, BR4 is resistant or moderately resistant to most of the major rice insects and diseases and can be transplanted in 6-8 inches standing water. But IR5, IR30 and Biplab (BR3) cannot be transplanted in standing water (more than 2 inches) because of short seedlings. Therefore, BR4 is the only suitable modern variety for the transplant Aman variety for the transplant Aman

BRRI plant breaders worked for developing a variety which would cover this risk and meet farmers' demands for a late-planted Aman variety. BA10 and BRII are the outcome of these objectives

and BR11 are the outcome of these objectives.

The new varieties possess the following good qualities as compared to BR4, IR5, IR20 and BR3: 1. Intermediate in height and taller than IR3 and IR30 and BR3: 2. Taller seedlings than BR4 which make them suitable for transplanting in 10.12 inches standing water.

3. Resistant to rice tangrovirus, a damaging post for Aman crop. 4. BR11 is earlier than BR4 by about a week and can avert late drought: 5. BR10 and BR11 can be transplanted up to mid-September, but BR4 should be transplanted by August. 6. They are slightly phateworl at ensitive.

Origin and development: BR10 with its popular name Progoti was obtained from a cross between IR5-116-1.1 z IR532.2-578 made at BRR1 in 1970. Since then the progeny line BR51-46-5/HR65 has been tested and evaluated at Joyder pure, and at BRR1 substations in Cemilla, Bariasi and Rajshahi. In the International Rice Testing Programme (IRTP) the line mass the maytenum yield.

Testing Programme (IRTP) the line gave the maximum yield of 11 t/ha (120 md/acre) and the highest average yield of 5/t/ha (55 md/acre) in the International Rice Yield Nursery (IRYN) conducted in 25 countries in Asia, Africa and Latin America

America.

BR11, popularly called Sonall was obtained from a cross between IR532-E-579 and IR5-47-2

made at Joydebpur in 1970 and since then tested and evaluated at Joydebpur, and at BRRt substations in Barisal, Comilla and Rajshahi. IRTP experiments showed the progeny line BR-92.97-1 giving the highest 18 t/ha (182 md/*cre) yield in Mexico.

Leaves and culms of these

Mexico.

Leaves and culms of these varieties are green and erect fleedlings are tall with moderate tillering ability. Grains are long, medium coarse with white kernel and taste good when cooked.

Performance: Under Bangladesh conditions they have produced upto 86 maunds per acre, but we recommend that farmers with good management can obtain 70 to 75 maunds per acre. The best performance is expected when seeded in late June and transplanted by Mid-August However, they can also be seed However, they can also be seed ed up to end-July and planted by mid-September with alight yield reduction.

The varieties will be most suitable for areas where trans-

planted Aman is planted in September and help expansion of rice acruge with high-yield potential varieties.

Agrosomic practices: Seedbed with moderately high fertility is recommended for good seedling growt. Two seedlings per hill at 4-6 weeks will produce enough tillers when planted in well-buddled soil. For transplanting in September 6.3 week old seedlings should be preferred for better performance. Both the varieties can be grown under rainfed ocaditions in the transplant Aman season, provided transplanting is done by mid-August. For details of cultural practices and fertilizer requirements they are almost same as other modern varieties.

CONCLUSION

Government has been giving great emphasis on increasing across under transplant Aman crop. The two varieties are expected to meet the c'allenge for ingressing food production under the Intensive Transplant Aman Programme (ITAP).

Comparative study of BR10 and BR11 with BR4.						
Variety	Letest Burstion transplanting (days)		Soudling height (inch)	Plant height (trad)	Grain yield (and/acre)	Grotn quality
BRIO BRII BRS BBA	Sept 18 Bept 15 Aug 18 Aug 21	144 140 140	15.0 13.6 10.0	1989	60_70 60_73 80_30	Medjum coarsi Medjum coarsi

BRIEFS

EIGHT ENGINES FROM HUNGARY—Bangladesh Railway received eight broadgauge engines from Hungary for modernising railway in the western region of the country, reports BSS. According to official sources, the eight broadgauge engines procured at a cost of Taka three crore and 12 lakh, is part of 42 engines to be received under an agreement signed between the two countries in October 1977. The eight engines reached the Chaina Port recently and the deprocessing of the engines is going on at Khulna. [Text] [Dacca THE BANGLADESH TIMES in English 24 Jan 80 p 8]

CHARGES CPB 'A THREAT'--Mr Nagen Sarkar, Secretary Bangladesher Samayabadi Dal (Marxist-Leninist) called upon the people on Friday to build up an united resistance against what he termed the agents of "Soviet expansionism." In a statement issued to the Press, he termed the threat of the Communist Party of Bangladesh (CPB) to stage a "Kabul-type revolution" with the assistance of the Soviet Union as an open challenge to the independence and sovereignty of the country. He observed that the supporters of the "Soviet aggression" in Afghanistan are the shameless servitors of expansionism. He alleged that "Mont-Sing-Farhad clique" in the CPB were renegades of the communist movement in the country and "are now working as bootlickers of the aggressive expansionst forces." [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 19 Jan 80 p 8]

RURAL CANAL DIGGING--The countryside is now pulsating with canal digging and reexcavation activities, aimed at building an irrigation network throughout the country, reports BSS. The canals, when completed, will serve as outlets for unhindered drainage of flood waters during the rainy season and reservoirs to feed their command areas with irrigation waters during the dry season. The worksites give varied pictures--at places people rejoicing over the completion of their digging projects and at other projects nearing completion or in progress. The countrywide canal digging and reexcavation programme, started in December last, was inaugurated by President Ziaur Rahman as the first phase of the Revolution to ensure two crops a year with an aim to double the country's food production in the next five years. [Text] [Dacca THE BANGLADESH OBSERVER in English 24 Jan 80 p 1]

JAPANESE AID--Japan will provide Bangladesh a total grant of 638 million yen (approximately Taka 4.28 crore) under two separate exchange of notes signed in Dacca on Wednesday between the two governments, reports BSS. The first note is on mechanisation of country fishing boats under which Bangladesh will receive 600 million yen (over Taka four crore) for procurement of diesel engines equipment for maintenance of diesel engines materials and equipment for fabrication of fishing nets. The second exchange of notes provides a grant of 38 million yen (about Taka 21 lakh) for procurement of audio-visual and stage equipment for the Bangladesh Shilpakala Academy aimed at improving the existing facilities of the Academy. All the equipment mentioned in the notes are to be procured from Japan. Mr A.M.A. Muhith, Secretary External Resources Division and Mr Hironori Ito, Japanese ambassador to Bangladesh signed the notes on behalf of their respective governments. [Text] [Dacca THE BANGLADESH OBSERVER in English 25 Jan 80 p 12]

LALDENGA CALLS FOR PEACE TALKS

Calcutta THE STATESMAN in English 18 Jan 80 p 6

[Text] New Delhi, Jan. 17.--The outlawed Mizo National Front leader Mr Laldenga, today hoped that the new Government at the Centre would make efforts to resume peace talks to find a permanent political solution to the 15-year-old Mizo problem, reports UNI.

Mr Laldenga said that he stood "committed" to a settlement within the framework of the Indian Constitution which the MNF accepted at its national conference held in Calcutta in 1976.

He hailed the Congress (I) victory at the recent poll and pointed out that it was during Mrs Gandhi's previous tenure as Prime Minister that he, along with other MNF leaders, was brought to the capital for exploring the possibilities of finding a solution to the Mizo question.

Mr Laldenga expressed confidence that the new Government would "pick up the threads" of the peace talks which were abandoned in February 1977.

He said the Congress Government was more amenable to reason than the Janata Party. He referred in particular to the former Prime Minister, Mr Morarji Desai, who threatened to "punish" the underground Mizos if they did not come to a settlement.

The MHF leader, however, expressed doubts on resuming the peace talks with the same officials of the Home Ministry who had been handling the north-Eastern affairs in general and Mizoram in particular.

Mr Laldenga said the northeast was in a "mess" because of these officials. "A climate of trust" had to be created for fruitful discussions, he added.

He alleged that Home Ministry, officials had in 1976 sent a "forged" message in his name asking the MNF leaders, including the present MNF vice-president, Mr Zoramthangua, to come down for talks.

According to Mr Laldenga, Mr Zoramthangua and other leaders were arrested on arrival at Calcutta. The MNF leaders, however, escaped from the Gulmohar Park residence where they were kept under house-arrest along with Mr Laldenga. Such an attitude, Mr Laldenga said, forced the underground Mizos not to place any trust on these officials.

MIZORAM PEACE INITIATIVES RECEIVE BOOST

Calcutta THE STATESMAN in English 22 Jan 80 p 9

Text

SHILLONG, Jan. 21.—Peace initiatives in Mizoram will be taken a stage further when Mr Aram of the Nagaland Peace Centre, representatives of the Himalays Seva Sangh and Mizo Church leaders lay the foundation of an "autonomous peace centre" at Aizawl in February.

"autonomous peace centre" at Aizawl in February.

Mr Aram and Mr K. M. Gupta of the Sangh paid a four-day exploratory visit to Ahnawl early this month.

An attempt in 1975 to form a Mizoram peace advisory body proved abortive; it was tacitly admitted that Miro Church leaders had personal and internal differences. The peace inititative now has plus and minus aspects Mr Rethuma's victory over Mr Vankunga of the People's Conference could mean that Mizos in general welcome the reopening of talks with Mr Laldenga by the Centre. Moreover, Mr Lal Thanhawla, Congress (I) leader, would be in a better position to project a case for a new round of talks.

The minus aspects are Mr Laldenga's old guard in the civil setup and the military wing who are largely overground, virtually negating the concept of an armed conformation. The former "Army commander", Brigad'er-General Blakchhunga his nomine" 4 colonels, Mr Zamans and Mr Vanthanga, are overground. The return of Mr Malasawna Colney with a few follower or by In Mr Zoramthanga. New focus on Nagaland was evi-

STATE GOVERNMENT PLANS FOR 1980-1981 MAY GO THROUGH

Madras THE HINDU in English 24 Jan 80 p 9

[Text] New Delhi, Jan. 23. In the absence of any definite indications yet of the new Government's attitude to the revised Sixth Plan draft activity has now beam limited to finalising the annual plans of the State Governments for 1980-81.

It is expected that in view of the importance and urgency of ensuring that plan development does not come to a halt at the end of the current financial year these plans will be approved by the Centre in consultation with the Chief Ministers.

The revised plan document was not submitted either to the previous Union Cabinet or the present one for approval which is necessary for its presentation to the National Development Council. It is open to the new Government to discard the document and reconstitute the Planning Commission and start afresh on another plan.

So far the convention when there is a change of Government, it is for the Deputy Chairman and members to submit their resignations to the Prime Minister who is the Chairman of the Commission. The present Deputy Chairman and the other members, however, have not submitted their resignations.

The Commission seems to think that the new Government may not think it wise to ask for a fresh plan document immediately since it will need time to visualize a bigger plan and the modes of financing it. It is, therefore, expected that it may decide to let the annual plans both for the Centre and the States for 1980-81 to run through, examine the possibilities of making major departures from the priorities of the present Plan and decide on having a new five-year plan from 1981-82.

VIOLENCE DEPLORED IN ASSAM

Calcutta THE STATESMAN in English 23 Jan 80 p 6

[Editorial: "Bad To Worse in Assam"]

[Text]

It is ridiculous that the Assam Government should describe as "peaceful picketa demonstration which. ing" apart from causing immeasurable loss to oil production, resulted in the death of ten people. Nor can violence be called spontaneous when even the official version is forced to admit that Mr Rabi Mitra, the hapless Oil India technician, was the victim of a wellplanned murderous conspiracy. Everything about the fourmonth-old agitation, including attempts to discredit the armed forces, points to careful organization. Whether the All-Assam Students' Union and the Gana Sangram Parishad intended matters to come to this pass or not, they must bear the major share of the responsibility for the orgy of rioting, arson. plunder and murder which has already taken toll of nearly 50 lives and displaced thousands. But, surprisingly, the Prime Minister's two emissaries. Mr Shankar Dayal Sharma and Mr Yashpal Kapoor, seem disposed to exonerate the principal culprits, even praising them as polite and energetic. Though the Union Home Minister. Mr Zail Singh, blames foreign mischiefmakers and talks of law and order being his first priority. New Delhi's preferred view seems to be that the Assamese have a legitimate grievance and that current disturbances are to be blamed on exploitation of their justified movement. Notoriously unable to keep the peace protect life and property or ensure the security of more than 14,000 refugees the State authorities too accuse "anti-social elements".

This lame explanation just will not wash. Concern over "foreign nationals" does not explain ruthless victimization of people who have lived in Cachar and Kamrup for generations. Nor can anxiety over the voters' register wish away secessionist posters and ports of young Assamese milimaking their through Nagaland and Tirap (Arunachal Pradesh) to training bases abroad Predictably. though not without some basis, Mrs Gandhi holds the Janata and Lok Dal ministries responsible, though it should, in all fairness, also be admitted that the Centre's dangerous dilatoriness owed much to the Governor's inability to

read warning signals which were as plain as a pikestaff. Less rational, though entirely explicable in political terms. is the Congress(I) attempt to blame the Rashtriya Swayam-sevak Sangh and Marxists. The Prime Minister's envoys. who seem unquestioningly to have accepted all that the agitators told them, argue that Assamese were embittered by Mr Jyoti Basu's statements But the West Bengal Chief Minister expressed an opinion only after continuous unprovoked rioting had driven out several thousand refugees The peril to a substantial Bengali community and the danger of repercussions elsewhere make Calcutta's concern perfectly valid. It would be tragic indeed if this anxiety not shared in a New Delhi which seems rather more interested in courting Assamese militants with an eve to the expected elections. The tactic may be acceptable on political grounds. but, if carried beyond imprudent remarks by junior party functionaries, it may destroy Mrs Gandhi's chances of establishing a just peace in Assam and, thereby, in the entire troubled northeast.

ORISSA DISTRIBUTES AID TO PREVENT STARVATION

Calcutta THE STATESMAN in English 21 Jan 80 p 11

[Text] Bhubaneswar, Jan. 20.--The Orissa Government has so far distributed Rs 14.3 crores of the advance plan assistance received from the Centre, Mr Damodar Rout, Minister of State for Community Development, said at a Press conference here yesterday. He said that the State Government would not allow anyone to die of starvation.

He said the Government had no report of people leaving their villages in search of work. Refuting the allegation made by Mr Kanhu Charan Lenka, State Congress (I) general secretary, that the Government had failed to tackle the drought situation, Mr Rout said that 2,319 of the 3,830 gram panchayats in the State had been declared drought affected. Large-scale relief programmes had been undertaken in the affected areas. There had been no report of starvation death.

Under test relief and food-for-work programmes, about 85,000 km of roads in villages had either been developed or constructed. In July last year, the State Government sanctioned about Rs 2.5 crores for undertaking test relief and irrigation schemes. A plan to provide jobs to at least 5,000 people in each drought-affected gram panchayat is being implemented. Besides providing gratuitous relief to the old and infirm, 2.7 million people had been covered under a feeding programme.

A sum of Rs 2 crores has been sanctioned for sinking tubewells and digging wells. Seeds and fertilizers will be supplied at subsidized rates. Some irrigation projects were being implemented, the Minister added.

ARMS INDUSTRY HEADING FOR SELF-SUFFICIENCY, EXPORTS

Islamabad THE MUSLIM in English 9 Jan 80 p 5

[Text] India's military might has continued to increase steadily over the years and today, as the following excerpts from an article in THE INTERNATIONAL HERALD TRIBUNE will show, that country is in a position to export arms.

Two five-year military plans (1964-69 and 1969-74) envisaged the indigenous design and development of reapon for the three services, as well as increase in the pace of local production of arms, equipment, ammunition and spare parts, to reduce dependence on foreign sources.

In what ways has India schimmed self-informing in the

In what ways has India achieved self-sufficiency in its weaponry, and at what cost?

In 1978-79 military budget provided \$632 million for ordnance plants. The production for 1977-78 was about \$450 million.

The investment in the nine

The investment in the nine public sector undertakings manufacturing military and related equipment was \$322 million and the value of production for 1977-78 was estimated at \$531 million. These units employ about 2,50,000 persons. This is a far cry from the \$6 million worth of equipment they turned out in 1947.

In 1963, the 7.62 mm semi-

In 1963, the 7.62 mm semiautomatic rifle was completely designed and built in India. Popularly known as the Ishapore rifle, it gives the speed to the jawan as it does accuracy. Further streamlining standardised ammunition to 7.62 mm for all small arms.

MACHINE GUN

The 7.62 mm light machine gun is another weapon in the same family meant for infantry. The 81 mm mortar was produced under licence to replace the old 3-inch mortar and the 120 mm mortar to replace the old 4.2 inch mortar.

With the accent on mountain formations after the Chinese encounter in 1962, a gun was designed and produced that can be broken into mule packs for transport. To replace the old 25-pounder of World War II, a new field gun has been developed, production of which has already commenced.

The L-70 ack-ack gun is radar controlled and has already proved its worth. For mountain artillery, the 75/24 pack howitzer has been developed for better range and quick and easy transportation. In addition, ammountion and propellants for all the guns big and small for the army, the navy and the air force are now being manufactured by the ordnance factories.

The heavy vehicles factory at Avadi, in Tamil Nadu, rolled out its first tank in December, 1965. Known as the Vijayanta (victorious) it was used in the 1971 conflict with Pakistan. It is being

built under licence from Vickers. Its 105 mm gun is manufactured here and is the mme calibre as that fitted to the U.S. M-60 and the U.S. M-60 and the U.S. M-60 and the West German Leopard tanks. This medium-sized 38-ton tank is also manufactured here. Since 1970, another design (successor to the Vijayanta) has been under way.

In addition to this, parallel development of a self-propelled gun for this tank and manufacture of armoured personnel carriers (APCs) with Vijayanta chassis has been in preparation.

MOBILITY

To ensure mobility for the armed forces, the manufacture of 3-ton Shaktiman trucks was undertaken with West German collaboration and in 1960 with Nissan of Japan for one-ton vehicles, called Joness.

Jongas.
When the first Indian-built Gnat (Marut) was demonstrated along with the HJI-16 (Kiran) trainer at the Farnborough Air Show in 1972, the then chief of the Indian

Air Force, Air Chief Marshal O.P. Mehra, said that there was an export market for the Gnat and the Kiran. Hindustan Aeronautics Ltd. (HAL) is synonym for the air-craft industry in India, and ever since 1940, has been something of a pioneer in this part of the world. From overhauling engines for the U.S. Army Air Forces deployed in the East in World War II to manufacturing Perceival Prentice aircraft under licence, it went through a process of rapid expansion and sudden contraction.

After independence, the company was taken over by the government and the manufacture of HT2s (first Indian primary trainer) Krishaks, Gnats, HS 748s (Avros), and the Indian HF-24 were under-

taken.

One of HAL's biggest achievements was the manufacture in just under five years of a wholly made Indian MiG-21. In it 11 factories dotted all over India, the HAL has produced the French-designed Alouette helicopter and later its Indian version, the Chetack. The MiG-bis with the latest modular engine technology will also soon roll out.

TECHNOLOGY

The decision to acquire the British-French Jaguar for the Indian Air Force (amid controversy) will benefit HAL, as it will again bring new technology to India. Indian made Jaguars will roll out in 1982 and though by Western standards they might not represent the latest technology in the world (remember the Gnat) it will suit India and its needs amply.

The HAL's overhaul facilities are the best East of Suez and it has also recently won an export order from an East European country. The recent announcement of the likelihood of the Russian AN-31 being selected for the transport fleet of the IAF will also provide an opportunity for the HAL to handle new design and technology.

When the British left, the Indian Navy had a few sloops and overage destroyers. It purchased a few more of these to keep the navy going. But for future needs, it was decided to manufacture the Leander type of frigates for which a licence was obtained and the sixth of these was lau-sched last year.

Most of the equipment for these frigates comes from indigenous sources, both private and public. The Mazagaon Docks where the Leanders are being built is working on a new design for a frigate of the 80s. Side by side with this, the Garden Reach Workshops are turning out smaller vessels for the navy and other civilian uses.

COMPONENTS

The Bharat Earth Movers (BEHL) is another public sector unit making heavy earthmoving equipment and items like tank carriers and crawlers which are used in the military and civil sector. This unit also produces rail coaches for the railroads.

rail coaches for the railroads.

Last year Bharat Electronic Ltd.
(BEL) exported about 25 per cent
of its production. The BEL is also
helping the electronics industry
in the country by making basic
components like TV tubes and
radio valves, which individual
manufacturers use to make
different types of equipment.

In all this national effort, the role of military research and development has to be taken into account. The Defence Research and Development Organisation was set up by the government to coordinate research activity in many of its laboratories throughout the country.

INCREASING MIGHT

For instance, French ENTAC missiles were being made under licence and simultaneously the research into cluster rocket technology was started by the department of space. In this, even technical colleges and universities are involved. The Indian Institute

of Science and the Birla Institute of Technology have contributed their mite. The last named has developed a missile which is hand carried by a soldier and can be fired from the shoulder. It has a range of five kilometers.

Recently, the head of Mitshubishi advocated the export of arms by his country as a means of averting a recession. It received only guarded support, for arms and military are taboo even today in Japan.

India is today in somewhat similar position. With non-alignment and non-violance as the basis of the nation's foreign policy, it will be difficult for any Indian government to advocate the export of arms. But a stage comes in a nation's life when sentiment has to give way to pragmatism. The example of Israel and its arms industry is very relevant here.

India has the advantage of being able to understand what the African, Asian or Arab wants. The Gulf boom has shown that Third World workers can handle Indian products easily. While Indian technology is perhaps owe step ahead of the Arab workman, western technology is four steps ahead.

FOR PROFIT

The military production capacity of Indian units is underutilised, making it possible to export selected pieces of equipment from military units.

Since independence, India has trained military personnel from other nations in Asia and the Middle East, so Indian equipment would not be difficult for these countries to utilise. But political considerations get in the way.

There are risks involved since the exporting of arms can sometimes clash with a nation's foreign policy. But with caution and a pragmatic approach, India will be able to utilise its spare capacity and export arms. -The Muslim-Guardian Service.

LOW KHARIF CROP PREDICTED BECAUSE OF DROUGHT

Calcutta THE STATESMAN in English 24 Jan 80 p 7

[Text] New Delhi, Jan. 23.—The kharif crop this year is likely to be about 10 million tonnes less because of drought. The latest assessment by Krishi Bhavan shows that drought affected 38 million hectares in 97 districts. The number of people affected was 220 million.

The crop is expected to be 68 million tonnes, while it was 78 million tonnes last year. Of the districts affected, 15 are in Rajasthan, 15 in Andhra Pradesh, 12 in Uttar Pradesh, 10 in Bihar, nine in Madhya Pradesh, seven in Orissa, five in Haryana and three in West Bengal.

Even though last year's drought was more severe than the one in 1966, it did not affect the kharif crop much because the irrigation potential had increased. With more land now under irrigation the expected output is not so low compared to that of last year.

The Food Corporation of India has procured a larger quantity of kharif crop than that of last year from Punjab in spite of drought. This highlights the increased adoption of modern technology by farmers. The quantity procured from Haryana is the same as that of last year.

The production of cotton is expected to be almost the same as last year's around 7.8 million bales. But the production of jute may be higher than that of last year. Oilseed production is expected to be more or less what it was last year. In fact, the loss in kharif crop is expected to be made up as more area in Andhra and Karnataka is now under groundnut cultivation.

FALL IN POWER SUPPLY WORSENS IN CALCUTTA

Calcutta THE STATESMAN in English 20 Jan 80 p 3

[Text]

THE power position in Calcutta and its adjoining areas worsened on Saturday. The abortfall was 75 MW in the morning and 38 MW in the evening. Supply was better in the areas served by the West Bengal State Electricity Board where the deficit amounted to 19 MW in the morning and 20 MW in the evening.

Three units at Bandel generated 162 MW and 175 MW and 175 MW. The gas turbine at Kasba, which generated 20 MW in the morning. doubled its generation in the evening. The Board drew 22 MW and 20 MW from the Durgapur Projects.

The Calcutta Electric Supply Cor-

Projects.

The Calcutta Electric Supply Corporation generated 223 MW and 240 MW. The Damodar Valley Corporation supplied about 32 MW to the Calcutta system throughout the day. The Board and the Projects together contributed 153 MW and 170 MW to the city lines.

Our Staff Correspondent In Durgapur adds: The short-term

programme for increasing power generation from the Durgapur projects has not been very successful, according to an official assessment here. More than a week ago the first unit was lit up for recommissioning. Work was abandoned vesterday forcing the DPL authorities to stay content with a generation, of 80 MW from the No. 4 and 5 units. More than Rs 1 crore was spent under the plan.

A senior DPL official explained today that there was practically no hope of increasing power supply from DPL to Calcutta in the next three months' time. Calcutta was receiving between 13 and 24 MW instead of 80 MW. The situation might improve by the end of April when the third unit would be ready for generation.

A transmission line was being laid to connect DPL with the Durgapur Steel Plant. The State Government had approved a DSP plan to procure more power from DPL to meet the power crisis, in summer.

summer.

NEW PHASE OF POWER PLANNING IN KARNATAKA

Madras THE HINDU in English 20 Jan 80 p 6

[Article by Leo]

[Text] The perspective planning for implementing hydel and thermal projects by the Mysore Power Corporation promises to alleviate significantly the acute shortage of power experienced by the State for over seven years. Curbs on power consumption became inevitable in the Seventies as a sense of complacency crept in following the commissioning of generating sets in the Sharavati project in the late Sixties. With the delay in improving transmission and distribution facilities there was even a problem of utilising power from the Sharavati project, in the earlier stages, and Tamil Nadu absorbed the 'surplus' easily. When new industrial units were promoted in the public and private sectors and there was also an increase in power consumption in other directions, the demand outstripped generation.

Somehow the finalisation of the first phase of the Kalinadi project was inordinately delayed. It was not also considered imperative to start work on the Varahi and other projects which required smaller capital outlays and could be executed in a short period.

Paucity of funds was, of course, a major bottleneck as work on Kalinadi could be expedited only after the Centre agreed to extend liberal assistance and aid from Kuwait also could be secured. In spite of various adverse factors, progress could have been made in tapping the hydel potential of 6,500 MW. Karnataka has the richest water resources in the southern region and the cost of new projects would have been much less than now if work had been taken up in earlier years. There would also have been no waste of hydel power resources.

The worst phase has, however, been left behind and it can now be expected that there will be regular additions to generating capacity in the Eighties. The Kalinadi project itself will be adding 910 MW in eight generating sets. The first set of 135 MW has been in operation since the last week of December and it is scheduled that the second unit should be on stream

before the on-set of monsoon in July this year. The remaining four units will be commissioned later in intervals of 6 to 8 months. The second unit of 27.5 MW in the Sharavati Dam power house is due to be commissioned in the next few weeks. The Chakra diversion scheme designed to augment the storage of the Linganamakki reservoir will be making a contribution of 500 million units annually.

Assured Additions to Capacity

Thus, by the end of 1981, there is the prospect of an increase in generating capacity by 432.5 MW which with the Chakra diversion scheme may yield easily 2,500 million units annually, or an increase in total availability by over 40 percent. Including import of about 1,000 million units from Kerala the aggregate availability at present is only around 5,500 million units in a year against the requirement of over 8,500 million units. (There will, of course, be augmentation of generation due to the first unit of Kalinadi and the first set of Sharavati Dam Power House, by over 750 million units annually.

The industrial sector has, therefore, been hit badly and the large-sized smelter of Indian Aluminum, the caustic soda unit of Ballarpur Industries, the Mangalore Fertilizer unit, paper and steel mills and various others have been using only partially their capacity created at heavy cost. It can be expected that curbs on power consumption will not be so severe from next year though the gap cannot be completely eliminated in the foreseeable future. It has always happened that power consumption has increased spectacularly with an improvement in availability and there should not be any let up in power planning for the next two or three decades.

The scheme for establishing a thermal station having an ultimate capacity of 1,000 MW is well conceived as quicker progress can be achieved with the construction of thermal stations. It is now possible to complete erection of thermal stations in 36 months against 5 to 7 years required for large hydel projects. The first unit of 210 MW capacity of the Raichur thermal station may go on stream in 1982-83 and the second some time later. It is important that the subsequent phase of this project should be executed on a continuous basis even while work is going on on various hydel projects. The Varahi scheme is slated to yield 230 MW with the first unit in position in 1983-84 and the second a little later. Work on other projects—Kalinadi State II, Bhataprabha and Kabini has to be expedited so that regular additions to generating capacity can be ensured in the Seventh Plan.

Importance of Perspective Planning

The Managing Director of Mysore Power Corporation Limited, Mr S. P. Bhat, has indicated that preliminary work will be initiated on other schemes and it will be the objective to tap the hydel potential of the west flowing rivers as it will be highly rewarding. The waters of these rivers are going waste into the sea. The Kalinadi, Varahi and Bedti rivers can thus

make a sizable contribution to power generation. It is, of course, expected that the ecological aspects will be borne in mind when implementing the subsequent stages of the Kalinadi project. It is, however, important that action on the Upper Krishna project which has a capacity of 870 MW should be initiated without delay, now that the inter-State disputes relating to the allocation of water resources have been satisfactorily settled.

The Governor of Karnataka, Mr Govind Narain, has, of course, put forward the plea that another thermal station should be erected on the west coast besides a nuclear station in a suitable location. While the claim of Mangalore for a thermal station will have to be eventually conceded, it is obviously advantageous to expand continuously even beyond 1,000 MW capacity of the Raichur thermal station if coal from Singareni can be secured in the required volume.

The harnessing of waters of the Cauvery system too will have to be planned with a proper sharing of water resources among Kerala, Karnataka and Tamil Nadu. The Hoganekal project can then become a reality. Karnataka, therefore, has a bright future and it is only to be expected that the financial allocation for Plan schemes will be adequate and there will not be any slowing down of the pace of implementation of new schemes.

COAL OUTPUT GOAL REDUCED TO 94 MILLION TONS

Calcutta THE STATESMAN in English 22 Jan 80 p 8

[Editorial: "Coal Gap"]

Text

vear would be well below the official target of about 101 million tonnes. Coal India's antonnes, a level closer to reality than earlier estimates. Even then, there is every chance of the new target being scaled down further in the coming months if power and transport do not show improvement. The upshot is a supply-demand gap of about 10 million tonnes, which pithead stocks will not be able to close. Stocks have been placed at 9.19 million tonnes, not all of which can be used. Imports have come to stay and have to be planned on a longterm basis. This is one of the important tasks before the Government at the Centre; a second is to tone up efficiency of the mines and ensure adequate supplies of power to them. This is more easily said than done, involving re-planning on a massive scale. Take, for example, the ing linkages committee is re- one given the "delicate" ccal and increased demand a fresh look at the perspective for it. In nearly all the cases— plans for the coal industry in Farakka. Singrauli and Korba view of the rapidly rising—mine development plans are price of oil

It was a foregone conclustill on the drawing board; the sion that coal production this gap between planning and implementation might be inordi-nately large. The committee envisages a rise in coal connouncement, made in the last sumotion by . the thermal week of December, has confirmed the trend. Output is 38 million tonnes to about 98 now expected at 94.45 million million by 1967-88. Given curpower sector from the present 38 million tonnes to about 98 rent output level, the task ahead is difficult.

There was never any justification for solitting the Union Energy Ministry and shifting the Coal Department to the Steel Ministry. The Congress (I) Government would do well to revert to the old arrangement. It is fatuous to argue that the problems of the coal sector are incidental to those of the steel industry. or that coal requirements of steel plants are more import ant than, say those of the power sector. Indeed, the Planning Commission's green signal to Coal India to set up gas turbines in various coalfields should be welcomed, if only for the reason that it would help to weaken the victous circle of less powerlower coal raisings-less coal draft on coal supplies which for power plants-lower geneconstruction of the plan-ration. Proper maintenance of ned super-thermal power sta-tions would entail. The stand-ferent matter though a crucia! ported to have worked out de-tails regarding availability of new Ministry should also take

LOW COAL STOCKS WORRY STEEL PLANTS

Calcutta THE STATESMAN in English 19 Jan 80 p 3

[Text] The integrated steel plants have a total stock of about 100,000 tonnes of coking coal against their requirement of 350,000 tonnes. "It is a wagon to oven situation," a Steel Authority of India sources said on Friday expressing concern at the unsatisfactory level of coal stocks at the yards of the steel plants. The situation would have been worse but for import of about 600,000 tonnes of coking coal of which about 500,000 tonnes had been consumed. The plants together need about 45,000 tonnes of coking coal a day.

There has, however, been some improvement in the transport of other raw materials like iron and manganese ores, limestone and dolomite by the Railways to the steel plants and despatch of finished products from the plants. Coal stocks, however, were accumulating at Coal India's washeries which were saddled with 164,000 tonnes of the fuel despite the shortage of power having affected production during the past 10 days in the Bengal-Bihar coalfields. The washeries' bunkers were full and they had to dump about 40,000 tonnes of coking coal on the ground. The accumulation at the washeries was ascribed to inadequate availability of box wagons.

SAIL sources said that about 64,000 tonnes of imported coal had not been cleared from the Haldia dock. If railway wagons carrying export cargo were released on time the imported coal stock could have been cleared speedily, they said.

Steps taken by the Railways have led to an increase in iron ore stocks at the integrated steel plants from 142,000 tonnes to 220,000 tonnes. The stock of s.m.s. limestone, a critical item, has increased to over 30,000 tonnes from about 19,000 tonnes. But this stock is considered much below the safe level by SAIL sources. These sources, however, agree with the contention of the railways that production of iron ore at the captive mines of the Indian Iron and Steel Company has been affected by shortage of trucks, which transport coal to the railheads, following the diesel crisis. Transport of raw materials to Bokaro by

rail has improved only since the Middle of December. The problem of nonavailability of trucks is being faced by the Rourkela plant.

SAIL sources admit that the Railways have met the demand for rakes for despatch of finished products from steel plants. But for small consumers of steel items, the supply of wagons is inadequate.

BRIEFS

DIESEL SHORTAGE IN NORTH BENGAL--Jalpaiguri, Jan. 15. -- The shortage of diesel in North Bengal is still continuing. Some buses have been withdrawn from their scheduled routes in Jalpaiguri district for want of diesel according to Government sources. In the tea gardens where diesel is largely used to run engines for processing tea, the crisis is being most keenly felt. Unless diesel supply to tea gardens is resumed immediately, business in the gardens will come to a standstill, industry circles fear. Supply of drinking water to the labour lines in the gardens has also been affected in some areas. This may lead to unrest among workers in tea gardens, it is feared. According to a Government spokesman, no crude is being received by the 0il India depot at New Jalpaiguri from Assam for refining and supplying to consumers. Both State and Central Governments have been apprised of the situation, he said. UNI adds: About 50% of the vehicles in Purnea and adjoining areas are off the road during the past few days because of nonsupply of deisel and petrol to dealers. [Calcutta THE STATESMAN in English 16 Jan 80 p 4]

FOODGRAIN STOCK COMFORTABLE—New Delhi, Jan 15.—The foodgrainstock "is quite comfortable" despite the drought and increased offtake by the public distribution system, Mr B. C. Gangopadhaya, chairman of the Food Corporation of India, said here today. The central stocks of foodgrain in mid-December stood at 18.1 million tonnes. By March, when the stocks drop to the lowest level, the central pool will have at least 15 million tonnes of grain—almost what it had last year. Contrary to fears that there might be a fall in the kharif procurement because of drought, State, agencies have already crossed last year's level in Punjab and Haryana. Mr Gangopadhaya, reviewing the activities of the FCI which completed 15 years, said that the capability to meet the demand for foodgrain in the current year of drought, without resorting to import, indicated the performance of the FCI. This was in sharp contrast to its performance in 1966, another year of severe drought, when the country had to import 10 million tonnes of foodgrain.

[Text] [Calcutta THE STATESMAN in English 16 Jan 80 p 4]

NEW UNIFORMS FOR ARMY--Jan. 15--Two new uniforms for Army personnel were displayed for the first time at the Army Day parade in Delhi Cantonment on Tuesday. The ceremonial winter uniform is olive green and is made of terrywool. It is meant for both officers and men. The combat uniform is

made of cotton and has disruptive coloration of green and yellow for camouflage. It is meant for both summer and winter. Woollen linings are added or taken off when required. The front pockets have adjustable buttons which slide up and down to accommodate more contents. There is also space at the back to accommodate a woollen pad. The collars can be adjusted to cover the full neck when required. In addition there is a fibreglass helmet, much lighter than the normal metal helmet. This combat uniform can comfortably be used for temperatures between 45°C and -5°C. An Army officer said that the uniforms were being indigenously manufactured. [Text] [Calcutta THE STATESMAN in English 16 Jan 80 p 9]

DATA GATHERING ROCKETS--More than a dozen rockets will be launched from the country in connection with the solar eclipse occurring on the 16th of this month. The rockets, which will collect scientific data on the changes taking place in the ionospheric and electrojet regions, are to be launched from Thumba near Trivandrum, Siriharikota in Andhra Pradesh and Balasore in Orissa. Most of them will be Centaur and Rohini rockets. The scientific data thus collected will be studied by scientists from India, Japan and Britain. [Text] [BK050941 Delhi Domestic Service in English 0730 GMT 5 Feb 80 BK]

TRADE DEFICIT--New Delhi, Jan. 19.--India's foreign trade deficit rose further Rs. 1,181:03 crores during the first eight months (April-November) of 1979-80. According to provisional figures imports during November totalled Rs. 560.79 crores while exports were of the order of Rs. 378.75 crores. The cumulative imports during the first eight months (April-November) touched Rs. 4,997.92 crores while exports were only of the order of Rs. 3,816.89 crores. As the deficit since October has averaged Rs. 183 crores a month, the current financial year is expected to end up with a net deficit over Rs. 1,900 crores. This compares with the deficit of Rs. 1,064.00 crores during 1978-79 and the previous highest deficit of Rs. 1,228.52 crores in 1975-76.--PTI. [Text] [Madras THE HINDU in English 20 Jan 80 p 7]

ARMY CHIEF OF STAFF ON THE THREE SOURCES OF OFFICER TRAINING

Jakarta KOMPAS in Indonesian 3 Dec 79 p 16

[Article: "Description by Army Chief of Staff on Subversion"]

Excerpts 7 Recently, it has appeared that there is a view that subversive activities are aimed at paralyzing the ideological, political, economic, and socio-cultural strength of a country. This is the objective to break the strength and capacity to resist of one country, carried out by an enemy. This was the warning of the Army Chief of Staff, General Widodo, in Surakarta on Saturday 1 Dec 7 when he was installing in office 104 officers of the Military Duty Officers' School.

Touching on the question of filling the requirements for officers of the national defense and security program, he stated that there are three sources for the training of officers, each of which has its own role. The source of officers from the Armed Forces Academy is the essential channel for long-term career officers, who are directed towards becoming professional officers in the development of national defense and security.

The second source is the Officers Candidate School, who are chosen from among non-commissioned officers who fulfill the conditions and have the ability of officers, as well as qualities of leadership. They are trained for one year, are tested by experience and the intensification of their duties while in the ranks. So that they will have capacities which are almost the same as those of graduates of the Armed Forces Academy.

And the third source is the Military Duty Officers' School, like those trained who have been referred to. The 104 officers consist of 57 from the Army, 24 from the Navy, 13 from the Air Force, and 10 from the Police. They are holders of bachelor's degrees or are candidates for such degrees in several fields, like medicine, socio-political science, law, administration, languages, psychology, sports, etc. After being trained for 10 weeks they are appointed members of the military service with the rank of lieutenant first class for holders of bachelor's degrees and lieutenant second class for candidates for such degrees.

5170 CSO-4213 SKY HAWK PURCHASE PROMPTS DISCUSSION IN PARLIAMENT

Jakarta KOMPAS in Indonesian 1 Dec 79 p 16

[Article: "Armed Forces Faction in Parliament on Sky Hawk"]

Excerpts 7 The community should not easily be provoked by reports from abroad which relate the purchase of A-l, Sky Hawk fighter aircraft from the United States with Israel. This report originates from groups which have commercial and political objectives abroad. That is, businessmen who are jealous because they did not get the order, while the political objective arises from a group which wishes to damage the good relations of Indonesia with the Arab countries.

This is the view of the faction of the Armed Forces in Parliament, presented by its spokesman, H. Sumrahadi Parto Hadiputro, in answering questions in a meeting with the press last Thursday [29 Nov]. "The faction of the Armed Forces points to and underlines the declaration of Minister of Foreign Affairs Mochtar Kusumaatmaja, that the purchase of the fighter aircraft from the United States was on the basis of a sales-purchase contract which has been signed and which has no connection with Israel," he said.

The faction of the Armed Forces was convinced, before the Government made the decision, that it had considered the matter carefully and from all angles. The starting point of the view which was firmly held by the Government, in this case the Department of Defense, in deciding on the foregoing choice was based on very pressing national interests. The development of the international situation, particularly the crisis in the Indochinese area, calls for our joint vigilance. Whether we like it or not, we must dare to place the development of the Armed Forces at a higher priority without sacrificing rapid development in other sectors. So stated Sumrahadi.

He declared that the capacities of the state at present do not yet make it possible to purchase modern new aircraft which are high in cost. Since this is still limited to small-scale stocks (16-20 aircraft), in this connection there isn't a single aircraft manufacturer which would accept an order and produce aircraft in such numbers. It would be forced to wait

for an order from a different country in accordance with commercial considerations. Therefore, if we wish to order new fighter aircraft, it would take rather a long time, whereas our needs are very pressing.

According to Sumrahadi, the A-4 Sky Hawk aircraft which were ordered in July, 1979, are considered sufficiently satisfactory to answer the threatening circumstances which are presently faced. All of the aircraft will have arrived in Indonesia by the beginning of December, 1980. This fighter aircraft still has 2000 hours of flying time left, to which 1000 hours more can be added, in accordance with the agreement. When in each month, on the average, it is used for 30 hours of flying, the aircraft will still be operational for 100 months, or about eight years.

He said that with this second-hand but sufficiently modern aircraft all can be used for training military flight personnel in such a way as to be in accordance with technological advances. When the capacities of the state permit it to own new aircraft, there will be no gap in availability of individual skills. "So in making the choice of this aircraft it is not based on the consideration that it is cheap but that it is correct to answer the challenge of developing circumstances, although the aircraft is not new," said the spokesman of the faction of the Armed Forces.

In answering a question concerning the plan of the Government to purchase Transall transport aircraft, according to Sumrahadi the faction of the Armed Forces welcomes the plan. Because in this way we will own several kinds and types of aircraft, which can be used in a flexible way, owning aircraft which can transport transmigrants directly to the area of transmigration. But they can be used all at once for other purposes because they do not need long landing fields. Therefore, they can also be used to provide assistance to victims of natural disasters, as well as for military operational purposes.

He said that it was not appropriate and only carping criticism if its cost is compared with a Hercules, which is really out of date. "The cost of a Transall is indeed higher, in accordance with its greater capacity and its higher level of technology," said Sumrahadi.

5170 CSO-4213

GOVERNMENT PROTECTION OF INDUSTRY CLARIFIED

Jakarta KOMPAS in Indonesian 5 Dec 79 pp 1, 6

[Article: "Government Will Not Continue to Give Protection"]

Excerpts 7 The Government has decided it will not maintain a continuous system of protection for one type of domestic industry. Protection will only be given to one type of industrial enterprise which has just begun to function, which is not yet strong enough to compete with imported goods. In addition it will only be given when there are "dumping price maneuvers" from abroad.

For a type of industrial enterprise which is already regarded as strong the system of protection will be reduced in stages until it is at a level sufficient to ensure a balance of competition in the industrial world.

The Minister of Industries, Dr A. R. Suhud, made this statement to reporters yesterday / 4 Dec / at the Department of Industries. The minister had just formally installed Col Junus Johor in office as General Director of Pupuk Kujang Inc., replacing L. Ichwan Anwar.

In the industrial sector, the minister went on to say, protection is indeed needed for every new enterprise which is not strong enough to compete. It is at such a time that the Government provides protection in a variety of ways, for example with customs tariffs.

"Providing continuous protection will make such industries weak, because they will never struggle to meet business competition," said Suhud.

The system of protection will only be provided again when "dumping price maneuvers" take place on the part of the foreign industrial firm which is trying to export goods to Indonesia. This protection must be provided, because unreal price competition is occurring. This system of protection due to competition at dumping prices occurs generally in the world. Even America does it.

Minister Suhud stated further that at present there still are many types of industrial enterprise in Indonesia which need to be protected. But the Government has begun to make a variety of proposals for industrial leaders to begin to strengthen their companies in order to begin to free themselves from the system of protection provided by the Government.

There are various ways for them to strengthen themselves. Among others, by raising the level of efficiency of the enterprise. Small entrepreneurs join together to form a larger unit, reducing risks by sub-contracting and doing everything for themselves, and a variety of other ways.

Indeed, at times there may be a type of industry in Indonesia which must be given protection continuously, for example, agricultural products. Protection will only be given to types of industry which really need it.

A few types of industry in Indonesia which no longer need to be given protection, according to Suhud, include the cement and fertilizer industries, among others. These two types of industry are regarded as strong and capable of competing in the international market. Indonesian conditions have made it possible for these two types of industry to become strong.

The textile industry, in several areas, still needs protection, but there are several plants which can be freed from the system of protection. Meanwhile, for the finished clothing and shoe industries and for a few other kinds of plants producing finished goods, protection is still needed.

In general this protection is given above all to industry at the "upstream" level whose raw materials are still imported because they are not yet produced in Indonesia. For those whose raw materials can be produced in Indonesia or whose raw materials originate in Indonesia, protection is not needed. For example, cement, fertilizer, the timber industry, and others.

Therefore, to reduce protection, it is necessary for such upstream industry to be developed at once. The less the raw materials are imported, the less protection is needed. The more the raw materials are imported, the more protection is needed. Thus, protection must be varied, depending on conditions in Indonesia.

Minister Suhud agreed that conflicts often arise among types of industry which need each other. These conflicts are caused by one group being given protection which turns out to damage another group. For example, protection for the plastic materials industry causes the industry making plastic products to lose money because importing raw materials is much cheaper than buying those of domestic production.

According to Suhud, in the framework of raising the capacity of domestic industry to compete against imports, an effort is being made to provide long-term credits exceeding 10 years. This matter has been discussed with the Governor of the Central Bank, Rachmat Saleh, and will be under-

taken. Existing credits which at present are only for three to five years cause domestic industry to lack the capacity to compete with imported products.

When long-term credits are provided, domestic industry can sell on a long-term credit basis, as is done by foreign industrial firms, so that the consumers, and especially the Government, will not need to import the goods. Long-term credits indeed constitute a kind of protection or raise the competitive capacity of domestic products without excessive protection.

5170 CSO-4213 RISE IN INDONESIA FOREIGN EXCHANGE DUE TO EXPORTS

Jakarta KOMPAS in Indonesian 4 Dec 79 pp 1, 6

Text Though there has been an increase in the export level of non-oil exports of Indonesia, the increase in the export level of oil still continues to be higher. As a consequence of the higher increase in the level of oil exports, the foreign exchange holdings of Indonesia up to the end of November, 1979, totalled \$4.1 billion.

The Director General of Foreign Commerce, Prof Suhadi Mangkusuwondo, stated at his office yesterday [3] Dec] that, taken as a whole, the non-oil exports of Indonesia for the period from January to October, 1979, went up by 50% compared to the same period in 1978. Meanwhile, the volume went up by 30%. That shows that, in general, Indonesian non-oil commodities are experiencing an increase in price abroad.

"Indeed, there are some commodities which are experiencing a decline in export volume, although the level continues to climb," said Prof Suhadi.

Some items which are experiencing a decline in volume but not in export level as stated above are palm oil and logs. Meanwhile, sawn timber is experiencing an increase, both in volume as well as in level.

Based on weekly reports of the Bank of Indonesia, up to and including the period of January to September, 1979, Indonesian exports not including petroleum and copper were at the level of \$3,527,934,000. At the same time the exports of these commodities in all of 1978 were at the level of \$3,522,912,000, or less than during the first nine months of 1979.

Prof Suhadi said that an increase in the level of non-oil Indonesian exports also occurred in November, 1979. And it is very possible that this will happen again in December and in the following months.

Should this be true, one can be sure that the export of Indonesian non-oil commodities in 1979 will be far greater than in 1978. When compared with 1977 the level of Indonesian non-oil exports in 1978 experienced an increase of more than \$200 million.

What is meant by exports not including petroleum and copper are commodities such as rubber, coffee, tin, wood, palm oil, palm oil seeds, tobacco, tea, pepper, copra, livestock and products, other foods, spices, hides, rattan, flowers and flower seeds, and other things.

The weekly report of the Bank of Indonesia also states that in general the level of exports of Indonesia not including petroleum and copper as a whole went up in the first nine months of 1979, but especially in September as compared with August, except for coffee, tin, and rattan. These three commodities continued to reach higher export levels in September, 1979, compared to August, 1979.

With further reference to the weekly reports of the Bank of Indonesia the level of exports of Indonesian petroleum showed an increase in 1979, compared to 1978. During the period from January to August, 1979, or the first eight months of 1979, the level of exports of Indonesian petroleum totalled \$5,072,091,000. Meanwhile, the level of exports of Indonesian petroleum during 1978 was \$6,899,536,000. If one only adds up the total of the first eight months (January to the end of August) of 1978, the level of exports of petroleum was \$4,624,473,000.

The Director General of Foreign Commerce also declared that with these increases in exports, it is true that the capacity of Indonesia to import has also gone up. But the increase in imports which took place in 1979 was not at the same level as the increase in exports. This means that the increase in imports was lower than the increase in exports.

He said that, on the whole, the volume of Indonesian imports in 1979 for the period from January through October, 1979, did not change much by comparison with 1978, although the level increased. A decline in the volume of imports took place especially in consumer goods and capital goods, while raw materials continued to experience an increase in the volume of imports.

According to the weekly reports, Indonesian imports for the period from January through September, 1979, totalled \$3,674,886,000. This means that they were less than imports for 1978, which were at the level of \$5,333,416,000.

5170 CSO-4213 OLDER WORKERS STILL PLAY ACTIVE ROLE IN PRODUCTION

Jakarta KOMPAS in Indonesian 5 Dec 79 p 6

[Article: "Ten Percent of Indonesian Population Are Older Workers"]

Excerpts 7 Old workers, who are about 55 years of age, are considered to total 10% of the entire population of Indonesia, or about 13 million people. Of this total, more or less 7.5%, or almost one million people, still have the physical and intellectual capacity to continue to play an active role in production.

This was stated by the Coordinating Minister for Public Welfare, Surono, in his opening remarks at the inauguration of the "National Symposium on the Useful Capacities of Older Workers" at the YTKI building in Jakarta on Tuesday / 4 Dec 7.

Previously, the Minister of Manpower and Transmigration, Prof Harun Zain, in his opening remarks declared that for the past few years private entrapereneurs generally have preferred to take on older workers who are experienced, rather than young workers who are still "green." In this connection the total number of young workers (10-25 years old) who need work total about 2.2 million and at the end of the Third 5-Year Plan (1984) will number more than seven million.

In order to increase the knowledge and skills of young workers, in the Third 5-Year Plan the Government (the Ministry of Manpower and Transmigration) will construct 17 new Labor Training Centers which will have various kinds of skill-training programs, in addition to the 11 Labor Training Centers already in existence. Ultimately, every provincial capital will have a Labor Training Center.

Further, small Labor Training Centers will be constructed in medium-size cities and Regency capitals, while Local Labor Training Centers will be set up to raise the level of the workers at the village level.

5170 CSO-L213

BRIEFS

OPENING OF LYCEE--Phnom Penh, 23 Jan (SPK)--The "Phnom Daun Penh" Lycee, former Sisovath Lycee, was opened on Monday [21 January] for 250 students, 80 of them girls. The school comprises 2 eighth-grade classes, 2 ninth-grades and 2 tenth-grades. Political and pedagogic courses are also organized at the school for 200 teachers, 75 of them women, who have survived the Pol Pot-Ieng Sary clique's genocidal policy. Present at the inaugural ceremony were Bou Thang, head of the KNUFNS Central Committee propaganda and education commission; and Chan Ven, minister of education. [Text] [BK280943 (Clandestine) SPK in French 1431 GMT 23 Jan 80 BK]

INSTRUCTOR TRAINING COURSE--Phnom Penh, 24 Jan (SPK)--An instructor training course was opened on Monday [21 January] in Phnom Penh for 110 students, 54 of them women, from various provinces of the country. Presetn at the ceremony inaugurating the course were Bou Thang, head of the KNUFNS central committee propaganda and education commission; and Chan Ven, minister of education. Addressing the ceremony, Mr Bou Thang stressed the need to train new men in socialist construction and, first of all, to inculcate the socialist ideal in the young pioneers who will be revolutionary forces in the future. [Text] [BK 280944 (Clandestine) SPK in French 0402 GMT 24 Jan 80 BK]

MENGISTU GREETS HENG SAMRIN--Phnom Penh, 17 Jan (SPK)--The provisional military government and people of socialist Ethiopia extol the great successes achieved by the Kampuchean people in their difficult, but determined implementation of the heroic task of socialist reconstruction under the farsighted leadership of the KPRC and in their efforts to eliminate the consequences left by the reactionary Pol Pot-Ieng Sary clique. This was stated by Mengistu Haile Mariam, chairman of the provisional military administrative council of the Socialist Républe of Ethiopia, in his message to President Heng Samrin on the occasion of the first anniversary of the liberation of Kampuchea. Our government and people side with the Kampuchean people in their resolute struggle against imperialism and international reactionaries in the region, the Ethiopian president concluded.

[Text] [BK280916 (Clandestine) SPK in French 0423 GMT 18 Jan 80 BK]

FRENCH CP SENDS GREETINGS—Phnom Penh, 14 Jan (SPK)—We reaffirm our active solidarity with you in the face of the extreme difficulties which you have had to overcome to insure the survival of your people and which you still have to face in developing your country. This was the statement made by the French Communist Party in a greeting message sent on 8 January to the KNUFNS Central Committee on the first anniversary of the liberation of Kampuchea. The French Communist Party hoped that the bonds of friendship between the two parties will be strengthened. [Text] [BK280655 (Clandestine) SPK in French 1433 GMT 14 Jan 80 BK]

NICARAGUA SENDS CONGRATULATIONS--Phnom Penh, 14 Jan (SPK)--The Provisional Government of National Reconstruction of Nicaragua on 8 January sent a greeting to President Heng Samrin on the first anniversary of the liberation of Kampuchea. The Nicaraguan Government wishes the KPRC even greater successes in national reconstruction as well as in achieving peace and prosperity for its people. [Text] [BK280627 (Clandestine) SPK in French 1435 GMT 14 Jan 80 BK]

GREETINGS FROM ANGOLA--Phnom Penh, 17 Jan (SPK)--On the occasion of the first and glorious anniversary of the Kampuchean people's victory over the fascist reactionary forces, we militantly and heartily express our congratulations on the resounding successes achieved in national reconstruction for the happiness and prosperity of the Kampuchean people, said Mr Paulo Jorge, minister of foreign affairs of the People's Republic of Angola, in a message to his Kampuchean counterpart, Mr Hun Sen. The Angolan minister affirmed that the KNUFNS and the KPRC are the legitimate representatives of the Kampuchean people and wished for the consolidation of friendship and solidarity between the two peoples. [Text] [BK280635 (Clandestine) SPK in French 0400 GMT 18 Jan 80 BK]

ROAD REPAIRED--The Z-41 project site workers and technicians of Vietnam's communications service have completed a 1.5 million dong repair of the 60 km long Neak Luong-Phnom Penh Road. In a friendly get-together between Kampuchean and Vietnamese officials to celebrate the completion of the work, the Kampuchean communications and PTT vice minister thanked the Vietnamese people for having helped improve the transportation and communications in Kampuchea. [(Clandestine) SPK in French 0441 GMT 17 Dec 79 BK]

RED CROSS RELIEF SUPPLIES--During December, the Kampuchean Red Cross distributed to various provinces nearly 21 tons of medicines, powdered milk, and kitchen utensils. The provinces of Kompong Chhnang, Pursat, Battambang, Siem Reap, Oddar Meanchey and Kompong Thom received more than 8 tons of the relief goods. [(Clandestine) SPK in French 0430 GMT 30 Dec 79 BK]

HELP FOR KOMPONG CHAM--A delegation of the revolutionary administration and the mass organizations recently went to Kompong Cham province to inquire about the health and livelihood of 180 families which had just been liberated by the provincial armed forces from the Pol Pot-Ieng Sary bandits. The delegation members distributed to the local people nearly 7 tons of rice, 560 kg of salt and some medicines. [(Clandestine) SPK in French 0400 GMT 19 Dec 79 BK]

ISLAMIC SYSTEM TO SOLVE PROBLEMS

Islamabad THE MUSLIM in English 5 Jan 80 p 8

[Text]

PALLANDRI (Azad Kashmir), Jan. 4: Brig Mohammad Hayat Khan, President of Janumu and Kashmir said here today that measures aimed at total Islamisation taken by the present regime augured well for the

future of the country.

Addressing a record guithering on his arrival here on five-day tour, the A. K. President said progress would continue undeterred. It was quite encouraging he said that every section of society was fully cooperating with the he said that every section of society was fully cooperating with the present government whose only aim was to translate into reality the objectives which inspired Muslim renaissance movement in South East Asia. He said accession to Pakistan of AJK state formed an unbreakable link of this movement.

in Azad Jamenu and Kashmir were the faithful soldiers of Pakistan. Pakistan, he said, was the centre of our hopes and aspira-tions and our people had full faith in the ultimate victory of their cause.

The A. K. President said the present government in Pakistan was providing maximum assistance for the rapid growth of Azad Kashmir. He mid the A.K. Government was utilizing this generous help for the uplift of the backward areas.

The President dwelt at length on social uplift programme of his government. He said that only by Ushr codection Rs. 100 million income was expected annually. This income, he said, would be used on building such care centres which would help to end unemployment. Brig. Hayat said other sources of income were also being tapped, among which he listed as development of tourism in Azad Kashmir. He gave details of certain steps taken in this regard and said that shortly a grand exhibition would be held at Rawaipindi to introduce the natural wealth of Azad Jammu and Kashmir to the Brig. Hayat said that the present difficulties could be overcome only by strictly following Islamic practices which provided solutions of all problems Islam he-mid, was most progressive divine code of life. responding to the unprecedented enthusiam among the people, the President said that it was a matter of pride that 21 lakh people

DEBT TO BE RESCHEDULED SOON

Karachi MORNING NEWS in English 25 Jan 80 pp 1, 8

[Text] The State Bank Governor, Mr A.G.N. Kazi yesterday expressed firm hope that Pakistan's debt would be rescheduled shortly.

Addressing the Karachi Chapter of the Society for International Development; he said that most of Pakistan's debt was Official Development Assistance (ODA) credits.

The State Bank Governor expressed concern over the "atrociously low" level of domestic savings in the country which remained at 4.5 percent last year.

He said that deficit financing was in fact more than the domestic savings. He underlined the need for increased savings in the greater national interest.

Mr Kazi said that increased production conservation and proper utilisation of energy was the need of the hour. He pleaded for the extension of a network of gas all over the country. He said that since 1974 higher priority should have been given to the development of hydrocarbon.

About the rate of inflation in the country he said that it could be worked out to 14 percent per annum since 1972 till date.

The Governor said that the development strategy of the country was not wrong. The real ills lay in the failure of proper implementation of the strategy.

Unprecedented Rise

The Governor who was giving a talk on "external debt of developing countries," said that the current account deficit of developing countries had escalated six times since 1973. He said that the current account deficit of nonoil producing countries was about 50 billion dollars in 1979 and it was estimated to rise to the unprecedented level of 70 billion dollars in 1980.

Alarming Proportions

Mr Kazi said that external debt of developing countries was fast assuming alarming proportions. The large imbalance in external accounts of developing countries this year was not a temporary phenomenon. The conditions that created it would continue to persist and the terms of trade of developing countries would continue to deteriorate it a fast pace unless basic changes are made in the international economic relations.

Allout Efforts

The Governor stressed that nonoil producing countries must make allout efforts to conserve use of energy and develop indigenous sources of energy.

We must also enlist the cooperation of oil surplus countries in order to be able to obtain oil for meeting their minimum requirements on reasonable terms, "it is evident that a scramble for oil is in prospect in which the weak may go to the wall."

Developing countries Mr Kati further emphasised must enlarge economic cooperation amongst themselves in all spheres including trade and transfer of technology. The oil surplus countries should make direct investments in other developing countries and maintain a part of their reserves in these countries. This would ameliorate the recycling problem. There was also urgent need for accelerating the net flow of concessional aid to developing countries.

Increased Allocations

The Governor said that developing countries could also be helped significantly by increased allocations of special drawing rights (SDR's) and creation of a link between SDR's allocation and development assistance.

He also underlined the urgent need for removal of trade barriers to permit expansion of exports of developing countries. The current tendency toward protectionism would have to be curbed in the interest of both developed and developing countries.—APP

ONE BILLION RUPEES WORTH OF EXPORTS EXPECTED

Karachi MORNING NEWS in English 26 Jan 80 p 7

[Article by Abdul Qasim]

[Excerpts] Since only export-oriented industries will be allowed to be established in the Export Processing Zones and since they will have to export at least 60 percent of their output, the development of the EPZs would assist in increasing the value of exports.

Export processing zones (EPZs) comprise an area, separated from the rest of the domestic economy by tariffs, in which industries are established with a view to facilitating an increase in exports and investment.

At the moment Pakistan is facing roughly the same problems. The rate of saving is low, exports have, with the exception of a few years, increased only slowly, and industrial investment is sluggish. A major symptom of the structural disequilibrium is the huge balance of payments deficit.

The slow growth in exports can be ascribed to the fact that these consist mainly of primary commodities and simple manufactures. And having completed the initial phase of import substitution, a rapid rate of industrial growth can only be attained when we develop the intermediate goods sector whose products have a higher income elasticity of demand. Consequently, Pakistan, too, needs to diversify its exports and industrial structure.

Following the example of other developing countries, Pakistan decided to establish EPZs, one at Karachi and the other at Lahore. The EPZ at Karachi would be the first to come into operation, probably around 1981-82. Karachi was chosen because it is the major commercial and industrial centre of the country and it has excellent infrastructural facilities. The choice of Lahore was determined by the fact that there is a large and fairly well developed light engineering industry around it. The establishment of an EPZ at Lahore would assist in increasing exports of engineering goods. After the EPZs at Karachi and Lahore have been commissioned, the Government would consider establishing EPZs in other places.

It is believed that as a result of the establishment of EPZs, Pakistan would attract a considerable amount of foreign investment, both from foreign investors and Pakistanis working abroad. No definite figures are available, but a recent estimate suggests that 532 letters of intent have been received. Much of the proposed investment would be made in such industries as basic chemicals, pharmaceuticals, furniture, helicopters, and fishing equipment. Altogether it is believed that it would result in the creation of 4,500 jobs. That would not only help to reduce, although marginally, the backlog of unemployment, but it would also serve to restrain emigration.

Since only export-oriented industries will be allowed to be established in the EPZ and since they will have to export at least 60 percent of their output, the development of the EPZs would assist in increasing the value of exports. Tentative guesstimates indicate that even in the first few years exports from the EPZ could be in the region of one billion rupees. Most of these exports would be made to the Middle East and East Africa. Furthermore, the introduction of new industries and manufacturing processes would help in the transfer of modern technology and therefore, in increasing the efficiency of the labour force.

The transfer of technology would not be confined to the industrial sector alone. Pakistani banks operating in the EPZ would in all probability be exposed, over a period of time, to new techniques of financing. For instance, they could conceivably form a consortium to provide finance to the prospective investors. Also, as there would presumably be fewer restrictions on currency movements in the EPZ, Pakistani banks could acquire expertise in offshore banking. The development of offshore banking would help to both attract foreign banks and other financial institutions and widen the range of Pakistani banks' operations.

Concluding Remarks

Foreign investors are interested in EPZs mainly on account of the various advantages these offer such as cheap labour and low land and rental costs. This has led some people to suggest that the major beneficiaries of an EPZ are the foreign investors who invest in it. This is probably an exaggeration. The result of the survey indicates that it is beneficial to both the foreign investors and the host country. However, the real danger of an EPZ lies in its tendency to an enclave character.

While they meet employment growth and export objectives better than alternative approaches, the mainly foreign firms operating in them have tended to develop few direct linkages with the rest of the economy. Given also that relatively small amounts of risk capital is involved in the type of labour intensive industries created in such zones, the foreign firms involved have little commitment to their operations in the particular economy concerned. However, developing countries have devised various techniques, such as regulations on the minimum local value added in the goods produced in EPZ, to get around these problems.

The sucress of an EPZ depends, in the ultimate analysis, on the incentives it offers as compared to those provided by other EPZs. Another determination of success is promotion overseas of the EPZ. This is a highly specifalised task, and the failure to adopt an appropriate promotion policy, could impede the growth of an EPZ.

Also, it is essential to coordinate the activities of the various agencies responsible for the development of the EPZ and to see to it that adequate infrastructural facilities are available. In the initial stages all EPZs pass through various [words illegible] Pakistan can draw upon the experience of other countries and evolve an appropriate strategy.

EXPORTS FOR 6 MONTHS REACH \$1 BILLION

Karachi MORNING NEWS in English 29 Jan 80 p 8

[Text] Pakistan's total exports in first half of the current fiscal year has touched the record figures of almost one billion dollars which also shows an increase of about 49 percent over export earnings during the same period of last year.

Official sources said here yesterday almost all the items had shown remarkable improvement in export during July-December 1979, both in terms of quantity and value.

Yet another significant feature of exports in the current year so far, they pointed out, was the emergence of petroleum products as one of the principal foreign exchange earner which had fetched over 91 million dollars.

About the export of other items during the first half of 1979-80, they said, rice realised over 220 million dollars, cloth 108.47 million dollars, yarn more than 103 million dollars, carpets about 92 million dollars, leather about 71 million dollars, raw cotton over 41 million dollars and a large variety of other goods worth more than 300 million dollars.

The sources expressed the hope that the present tempo of exports would further pick up in the next half of the current fiscal year and there are all the possibilities that export earnings may even exceed the revised target of 2,120 million dollars in final counts by June this year.

They said the Government had originally fixed export target of 1,900 million dollars at the beginning of current fiscal year but later revised it upward in view of excellent cotton crop and remarkable recovery in other sectors of the economy.—PPI.

SIXTEEN INDUSTRIES EXCLUDED FROM EXPORT PROCESSING ZONE

Karachi MORNING NEWS in English 25 Jan 80 p 5

[Text] Mr Ghulam Yazdani, Project Director Export Processing zone, has said that all industries will be allowed to be set up in the Zone except 16 industries which have a strong base within the country.

Addressing members of the Manghopir (SITE) Association of Trade and Industry, he expressed the hope that the EFZ would be a flourishing area soon because the response from the multinational firms and companies was very encouraging.

He enumerated the following industries which would not be allowed; cotton textiles, made up textiles fabrics from synthetic yarn, tents; hosiery; readymade garments; carpet, footwear; leather and leather goods; surgical goods; cutlery, sports goods, guar-gum; rice-processing; fish and fish products; cement and crown corks.

He also said that capital coming from Pakistani residents abroad would not be repatriable while the capital and profits of foreigners would be repatriable. All manufacturing units would be exempted from income tax for five years. Other taxes viz custom duty; excise; petrol, etc; would also not be leviable. Wages would have to be paid in foreign exchange but workers would receive wages in Pakistan rupee converted by banks under special arrangements.

He exhorted industrialists of the country to induce their friends and relatives abroad to bring in capital for investment in EPZ.

Earlier Dr Haroon Siddiqui, Acting Chairman, welcomed Mr Ghulam Yazdani.

PLAN TO FIX PRICES OF COMMODITIES IN PUNJAB

Karachi MORNING NEWS in English 26 Jan 80 p 3

[Text]

LAHORE, Jan. 25: The Provincial Government has prepared a comprehensive programme including "option analysis" and "action plan" for fixing prices of essential commodities regulating reasonable margin of profit and eliminating undue middlemanship to achieve price stabilisation it is reliably learnt here today.

The programme will be effec-

For this purpose, 44 items have been declared as essential items and the provincial and the district authorities concerned have been issued directions to eradicate malpractices on part of the producers and the traders.

A report in this connection was submitted by the Mart al Law Administrator's inspection team which conducted studies on prices and supplies of essential commodities.

Concerned departments at the provincial and district level, including Advisers Commissioners

Deputy Commissioners and Departments of Agriculture, Industries Law, Labour, Food, Local Government and Infromation, and Chairman of Planning and Development and Provincial Transport Authority, have been directed to prepare comprehensive action plans within a week's time and sunt the same to the Headquarters of the Martial Law Administrators, Punjab.

A meeting between the traders and the officials in this connection is expected to be held in the next week at the Martial Law Headquarters.

DETAILS

As per details of the action plan, prices of all items will be regulated through an institutionalised system by constituting experts committees to lay down reasonable profit. Price differential, including profit margin, will be laid down by respective traders organisations and the prices of items based on prices differential would be regulated by the traders themselves,

Smilerly, marketing commit-tees will be formed immediately in accordance with the Agricul-ture Produce Ordinance XXIII of 1978, metric measures will be strictly followed and use of outof-date measures will not be allowed, adulteration will be checked and heavy punishments awarded to the offenders, manufacture of spurious items will be checked, administrative staff and taxation agencies will keep a watch and ensure compliance for proper maintenance of account books by the traders etc., while cash memos will essentially be issued by the shopkeepers to the customers when the value of transaction will exceed Rs. 20 and above.

Storage facilities will be regulated to meet the demand, transportation will be made quicker and economically transportation of essential commodities will be planned and co-ordinated with various agencies.—PPI,

ENERGY RESOURCES PROMOTION VITAL FOR ECONOMIC UPLIFT

Karachi MORNING NEWS in English 21 Jan 80 p 4

[Text] Peshawar, Jan. 20: Mr Munir Ahmad Khan, Chairman of the Pakistan Atomic Energy Commission, has said that the promotion of energy resources was vital for the economic development of Pakistan.

Speaking at a reception, hosted for him by the Sarhad Chamber of Commerce and Industry here last evening, Mr Munir Ahmad described energy as an important segment of national development and "essential input" for progress of agriculture, industry, mineral exploitation, public health and other sectors.

He, therefore, stressed that Pakistan had to develop adequate energy resources for stepping up its economic growth for the welfare of its people.

He referred to the rapid increase in the oil import bill for the past few years, and said that from 60 million dollars in 1973, it had risen to 1200 million dollars during the current year, which was 55 to 60 percent of the country's total foreign exchange earning.

He feared that if the oil prices continued to increase at the same ratio, the entire foreign exchange earnings would have to be consumed on import of oil, in 1983 or 1984.

This, he said, was a serious situation, about which Pakistan would have to do something. It was unfortunate that this had not been comprehended in the past.

Stating that Pakistan's nuclear programme was aimed at making this "essential input" available for economic development of the nation, Mr Munir Ahmad hoped that "the critics of this programme would understand our position and rationalise their policies towards us." "Our nuclear programme is peaceful and we have no intention to use it for military purposes," he said.

He said it was Pakistan's endeavour to achieve self-reliance in the essential areas of this programme, in the supreme national interests,

as it had "disappointing" experience of reliance on others in the past. Reliance on others in this connection would simply render the programme vulnerable, he said, hoping that Pakistan would acquire necessary nuclear technology for its economic development.

Nuclear Techniques

Referring to the Commission's activities in NWFP, Mr Munir Ahmad said that it had already started application of nuclear techniques for increasing agricultural production, particularly of the cash crops of sugarcane, tobacco, wheat and rice.

A centre had been established in Tranab for this purpose.

About mineral development, he stressed the need of a proper survey of mineral resources of the province. He, however, said that useful nuclear mineral had recently been discovered in this region.

Mr Munir Ahmad proposed that a foundation for imparting technical skill to the interested persons should be established with Rs one crore The Commission, he said, would lend a helping hand in making the plans for the foundation, particularly in utilisation of the technology, in coordination with other Government agencies.

Earlier, Naji Yunus Elahi, President of the Sarhad Chamber of Commerce and Industry, in his welcome address, announced the setting up of the foundation, for training of 30 to 50 engineerings for development of this region. A centre would also be set up by the chamber for imparting skill to the interested persons.—APP.

DOMESTIC OIL MEETING THIRTEEN PERCENT NATIONAL REQUIREMENTS

Islamabad THE MUSLIM in English 2 Jan 80 p 8

[Text]

RAWALPINDI, Jan. 1: The government is making all out efforts to develop the energy resources and it is expected that the domestic oil output by the mid of 1983 would meet about one third of the country's oil requirements, said Secretary Economic Affairs, Aftab Ahmad Khan in a radio interview, broadcast last night.

At present, the domestic oil output is meeting around 13 per cent of the country's requirements.

Mr. Aftab said it had now become imperative for the country to minimise the consumption of oil and adopt other energy conservation measures to the maximum possible extent. He pointed out that with the latest increase in oil prices, the nation would have to bear an additional burden of 200 million dollars in six months of the current fiscal year alone.

The Economic Affairs Secretary said the net expenditure in terms of foreign exchange on the import of oil this year will amount to 880 million dollars as compared to the figure of only 48 million dollars in 1972-73.

Mr. Aftab said that all out efforts were going on for the deve-

lopment of the known oil resources of the country and to find new ones. He said the World Bank had extended a loan to Pakistan for the

extended a loan to Pakistan for the development of the Toot Oil field.

He said, at present oil meets 37 per cent of the total energy requirement of the country: Natural gas accounts for around 36 percent: The share of hydroelectricity in the national energy budget is 21.1 per cent and that of coal about 5.5 per cent. Nuclear energy accounts for only ,33 per cent and liquified petroleum gas .3 per cent only. .3 per cont only.

Mr. Aftab said the total invest-ment for the power sector in the Annual Development Programme of the current year was Ra.3,978 million as compared to Ra.3,540 million in the revised estimate of 1978-79. In addition, there was a provision outside the current ADP for an investment of Ra.2,033 million in the semi-public sector for power development.

Referring to the increase in the prices of petroleum products at home, the Secretary Economic Affairs explained that every possible effort has been made to ensure that their impact was less on the low income group and more burden is shared by the well-todo.-APP

PORT QASIM WILL START OPERATION IN APRIL

Karachi MORNING NEWS in English 23 Jan 80 p 5

[Text] Pakistan's second habour, Port Mohammad Bin Qasim, will be operational from April next, a spokesman of the Port told APP here yesterday.

Brig Fazl Qadir, Member, Technical of the Port Authority, said that five berths, out of a total of eight berths planned in the first phase, had already been completed and the port would be receiving ships from April. The five berths included one berth for iron and coal handling for the underconstruction Pakistan Steel Mills.

Brig Qadir was talking after a meeting of the Port Qasim Authority with the representatives of Asian Development Bank (ADB), United Kingdom, France, Canada and Belgium, main financiers of the project here.

The representatives also told APP that they were very much impressed by the progress of the work. They hoped that the tempo would be continued till the completion of the project. The progress in fact was remarkable, they added.

Brig Qadir said that tenders for the remaining three berths had already been called and the bids of the participants, were being examined. He said that by April next, three berths would start.

He said that work on the provision of infrastructure facilities such as apron, transit sheds roads etc., was yet to be completed. He added that the bulk cargo such as rice could be handled for export from July this year at the harbour. Each berth is of 200 metre length. The iron ore and coal berth is 279 metre long which has been connected with the steel mill by conveyor belt system, he said.

The spokesman said that till December last, Rs 170 crore and out of the total cost of Rs 366.3 crore had been spent. The cost includes Rs 135 crore in foreign exchange. The first phase is due to be completed by the end of 1982.

The Port Bin Qasim, he said, would be handling five million tons of cargo, mostly bulk, in addition to 3.3 million tons of iron ore and coal, thereby greatly releasing the pressure on the Karachi Port. The Karachi Port handled a record 15 million tons last year.

He said that private companies would be engaged by the port authority for handling the cargo for better efficiency.

ADB Loan

The representative of the Asian Development Bank, Dr Akat Suka, said that the ADB had provided 48.6 million US dollars (equivalent) for the project. It was one of the largest assistance of the bank.

Dr Akat Suka said that he had visited the project last year also and the progress made during this period was remarkable. He hoped that this tempo would be continued. He paid tributes to the port authority, the consultants and the contractors for their concerted efforts in bringing the project near completion.

Replying to a question, he said that Pakistan Government had approached for more funds for the project. But he said, no commitment had yet been made by the bank.

The representative of the British Government, Lt Col D.G. Pagan, said that the assistance of his country for the project amounted to 13 million pound sterling. He said that the progress at the port was very encouraging.

Mr A. Breuer, representative of the Canadian International Development Agency, also expressed similar view on the project.

Later, the representatives were taken on a cruise in the channel they also saw the berths.--APP

BRIEFS

FARMERS INTEREST-FREE LOANS--Lahore, the Nationalised banks in the Punjab advanced interest-free loans amounting to Rs 11 crore to the small farmers during the first half of the current financial year. This was disclosed at a High-level meeting presided over by the Provincial Adviser for Agriculture, Dr Abdul Ghafoor Bhatti. Senior officers of the major nationalised banks were present at the meeting held today, according to a handout.--APP. [Text] [Karachi MORNING NEWS in English 26 Jan 80 p 2]

SHIPBUILDING, TRACTOR VENTURES LITH YUGOSLAVIA-Lahore: Jan 28: Yugoslavia has shown its interest in entering into joint ventures with Pakistan in the field of shipbuilding tractor manufacturing and setting up of leather and cotton garments units. This was stated here today by the Yugoslav Trade Commissioner in Pakistan; Mr Branko Jovicic in a meeting with the President and Vice-President of the Lahore Chamber of Commerce and Industry. He said since the system of barter trade between Yugoslavia and Pakistan had been converted into a normal one there was better vistas for cooperation in the field of trade between the two countries. The Yugoslav Trade Commissioner appreciated the performance of Pakistani producers in Yugoslave trade fair held every year in September. Mr Jovicic said his country had also made available suppliers credit for joint ventures including spark plugs and cement manufactures. He stressed the need for the exchange of trade delegation of both countries for a direct contact between the importers and the exporters in both the countries .-- PPI. [Text] [Karachi MORNING NEWS in English 29 Jan 80 p 4]

SAUDI DEVELOPMENT TEAM VISIT-London; Jan 24: A high powered team of the Saudi Fund for Development (SDF) will visit Pakistan to assess her requirements for various development projects cables PPI special correspondent. The team will reach Islamabad at the end of this month, during which it will hold wide ranging discussions with senior government officials. The exact amount of Saudi assistance is not known here but informed sources said it would be substantial. It is understood that during the recent visit of President Gen Mohammad Zia-ul-Haq to Saudi Arabia, talks on increased economic cooperation and assistance were reviewed during his talks with King Khaled and crown prince Fahd Bin Abdul Azia. Saudi Arabia is already extending substantial aid to Pakistan for major development projects now under execution. A high-level delegation from Pakistan

visited Saudi Arabia few months ago; to conclude agreement for financial help of the Saudi Government for projects in Pakistan. Meanwhile, Saudi Arabia's imports from Pakistan in the year ending June 31, 1979; totaled 95 million dollars, more than double the value in the corresponding period in 1977-78.—PPI. [Text] [Karachi MORNING NEWS in English 26 Jan 79 p 4]

KUWAIT FIRM PROJECTS AID--The Pakistan-Kuwait Investment Company Limited has decided to provide financial assistance for a poultry complex, a cement factory and a fertilizer company on equity participation basis. The Board of Directors which met at the Company's head office here on Monday last, besides approving participation in a number of ventures, also took certain decisions regarding its policy for investment, both in the public and private sectors. Mr H. U. Baig Federal Finance Secretary, visited the Head Office of Pakistan-Kuwait Investment Company Limited yesterday. While addressing executives of the Company, Mr Baig emphasized the importance of the role played by professionals in investment companies and stressed that honest and hard work with judicious decisions was the need of the hour. He advised the officers to work for progressive growth of national economy by syncronising at optimum level all factors involved in investments made by the Company. This, he said would also be further improving the bonds of friendship and brotherhood between the Government of Kuwait and the Government of Pakistan. [Text] [Karachi MORNING NEWS in English 25 Jan 80 p 5]

ICC GUIDELINES ON MNP'S ISSUED

Manila PHILIPPINES DAILY EXPRESS in English 23 Jan 80 p 9

[Text] Industrial projects costing P300 million or above will be considered major national projects (MNP) and cannot be implemented without clearance from the Investment Coordinating Committee (ICC).

This is one of the guidelines adopted by the ICC in implementing Presidential Decree 1450 which accelerated implementation of major industrial projects in the country.

The ICC is composed of the ministers of finance, economy, industry, the governor of the Central Bank and the chairman of the Board of Investments.

The ICC, headed by Finance Minister Cesar Virata and Economic Minister Gerado Sicat, said that MNPs should lead to new capital formation in the economy.

Excluded from the coverage of the MNP however are the following:

-- Transactions involving exchange of financial assets and purchases of existing local plants.

--Programs whose aggregate costs, though exceeding P300 million, consists of small sub-projects such as the Masagana 99, small-scale communal irrigation systems, DBP relending programs to small businesses, school building program and barangay roads program.

ICC approval for the projects is a pre-condition for loans and guarantees by the government financial institutions. Central Bank approval of foreign borrowings and budgetary allocations.

At the same time, the ICC directed project proponents and implementing agencies to submit to the agency for evaluation complete project information sheet, and complete feasibility study report.

These requirements are to be submitted to the ICC on the following schedule: for government projects, from January I to April 30, 1980 for projects to be undertaken in 1982 or a minimum lead time of two years; and for private sector projects, from July 1 to Sept 30, 1980 for projects to be undertaken in 1982, also a minimum lead time of two years.

EXPORTS PROJECTED TO RISE 15 PERCENT, IMPORTS 16 PERCENT

Manila BULLETIN TODAY in English 27 Dec 79 p 11

Text

Philippine exports are projected to grow by 15 per cent next year, reaching a new level of \$4.9 billion, from the estimated total of \$4.26 billion this year.

A new projection made by the Central Bank showed that exports growth would tend to slow down in 1980 from the 35 per cent growth registered this year on account of the generally gloomy outlook in the international economic situation.

Imports will continue to outpace exports, but their increase would likewise taper off in line with the government policy of keeping the trade deficit within manageable levels.

According to the latest CB projections, imports would reach \$6.72

billion in 1980, up 15.9 per cent from the estimated payments of \$5.8 billion in 1979.

Thus, the country's trade deficit is projected at \$1.82 billion. However, the projections were made before the Organization of Petroleum Exporting Countries raised the prices of crude oil by \$6 a barrel, a price increase that would translate into an additional \$300 million

to \$350 million cost to the oil bill for 1980, according to Governor Gregorio Licaros.

The CB sees a further deterior at ion in the terms of trade as a consequence of the oll price hike to a level lower than the estimated \$5.3 index points for 1979.

Among the major exports that are projected

to show substantial growth are non-traditional manufactures, \$1.65 billion from \$1.29 billion last year coconut products, \$1.06 billion from \$1.06 billion; copper concentrates,

\$520 million from \$470 million; forest products, \$400 million from \$350 million; and sugar, \$280 million from \$230 million.

Petroleum imports next year, with the \$\frac{2}{2}.0 per barrel increase recently, are projected to reach \$2.0 billion, about the same level as the projected trade deficits.

Capital goods imports are still projected to maintain their increases from \$1.6 billion this year to about \$1.85 billion in 1980 on account of the continuing industrialization program.

PHILIPPINE EXPORTS (PROJECTED) (US\$ millions)

	1979 (est)	1980	1981	1902
Non-traditional manufactures	1,290	1,650	2,030	2,560
Coconut products	1,060	1,060	1,640	1,090
Copper concentrates	470	520	650	770
Forest products	350	400	460	550
Sugar	230	280	360	480
Other exports	860	980	1,160	1,350
TOTAL EXPORTS	4,260	4,900	5,700	6,800

PHILIPPINE IMPORTS (PROJECTED) (US\$ millions)

	1979 (est)	1980	1981	1982
Capital goods	1,600	1,850	2,100	2,400
Raw materials and intermediate	goods 2,360	2,650	3,180	3,670
Petroleum and products	1,360	1,690	1,810	1,930
Consumer goods	480	530	600	690
TOTAL IMPORTS	5,800	6,720	7,690	8,690

COCONUT PRODUCTS CONTINUE TO BE LEADING EXPORT

Manila PHILIPPINES DAILY EXPRESS in English 21 Jan 80 p 16

[Text] Coconut products are likely to remain a leading foreign exchange earner "in the foreseeable future" and a "critically" important source of income for majority of people in the Philippines, according to a World Bank industry report.

Last year, foreign exchange income from coconut products exceeded \$1 billion for the first time in many years.

In the coconut group, coconut oil is the top earner but its income could still be improved if the capacity of existing mills is fully utilized.

The WB study said more attention should be focused on the industry to increase yields through better farm management including the use of fertilizers.

The WB study said more attention should be focused on the industry to increase yields through better farm management, including the use of fertilizers.

If better production methods are used, according to the bank, coconut oil exports could increase by about seven percent annually while copra exports could remain stable at about 200,000 metric tons.

RICE EXPORT OUTLOOK BRIGHT

Manila PHILIPPINES DAILY EXPRESS in English 27 Dec 79 p 2

[Text] The Philippines will continue to export rice next year, notwithstanding the forecast of the Food and Agriculture Organization of impending food shortages in the 80s, Jesus Tanchanco, administrator of National Grains Authority, said yesterday.

Tanchanco said that the surplus situation the country enjoys at present "is the best hedge against inflation and high prices."

He observed that while other developing countries had crop failures due to drought, pest infestation and political instability, the Philippines was able to hold on to its position as exporter of rice.

The country's rice exports to Indonesia, Malaysia and Brazil a total 299,000 metric tons lued at \$82.1 million. Brazil has also concluded a new contract for another 20,000 tons.

FAO's prediction of an impending food shortage in the coming decade is expected to be felt more in developing countries beset with burgeoning population.

But, Tanchanco said, there are newer and better rice varieties being developed, more irrigation systems being put up and better farming techniques being adopted to increase farm productivity.

Moreover, he said, the country has the biggest rine inventory and carryover stocks in its entire history which can take care of our cereal requirements in the coming years.

By 1980, the National Grains Authority expects to buy from farmers some P1 billion worth of cereals under its massive procurement program. This year, NGA has channeled into the countrysides more than P800 million, resulting in higher incomes for farmers, Tanchanco said.

He said that in view of this expected volume of purchases from farmers and increasing farm yields, the NGA will continue to build warehouses and other infrastructures for grains.

CITCO RUSHES MATINLOC CONFIRMATORY DRILLINGS

Manila PHILIPPINES DAILY EXPRESS in English 17 Jan 80 p 9

[Article by Samuel V. Senoren]

[Text] Philippine Cities Service Co. (Citco) service contractor of the country's first commercial oil find, is rushing confirmatory drilling at the Matinloc area to make use of the jack-up drilling of rig Ron Tappmeyer before it is recalled by its owners.

Ron Tappmeyer's contract with Citco expires early next month and the rig is expected to be assigned somewhere else to fulfill new commitment.

The jack-up rig wound up operations at Nido II x l yesterday and hopefully should be in position at the Matinloc area by next week.

Citco decided to plug Nido II \times 1 when drilling encountered electrical and acoustical problems at 13,800 ft short of the target depth of 14,500 ft.

Rather than lose time in repair operations, Citco decided to proceed to the Matinloc area to drill Pandan since its contract for Ron Tappmeyer ends on February 7.

The rig costs the operator an estimated \$35,000 per day.

This is not the first time that Citco abandoned a drilling in progress. Last year, Citco also plugged South Nido A-2 well at 6,000 feet, the rig over the West Nido site where it drilled three wells.

After completion of the three wells, Citco then repositioned the rig at South Nido A-2 where it completed the well.

Pandan 1 is the first of about 30 wells committed for drilling this year.

Industry sources say that Pandan 1 is expected to further confirm the presence of an oil province estimated to be 50 kms. long in an area bounded by Nido, Cadlao and Matinloc.

In the case of Cadlao, the area will be converted into a production site during the last quarter of this year as promised by Amoco, the service contractor for the Cadlao area.

Amoco will resort to the very early production system (VEPS) to augment oil production from the Nido field.

Last year, one confirmation well (Cadlao 3) flowed very light and low sulphur crude at the rate of 6,600 barrels per day.

NATION TO PRODUCE HALF OF FUEL GAS NEEDS BY 1988

Manila PHILIPPINES DAILY EXPRESS in English 20 Jan 80 p 1

[Text] By 1988, 54 percent of the country's energy requirements will come from indigenous sources, the Ministry of Energy announced yesterday.

The ministry said the government intends to develop not only oil but gas, coal, geothermal, uranium and nonconventional sources of energy like marsh gas, biogas, wind and solar, hot springs, producer gas and dendrothermal.

The MOE said long range plans are already being drawn up.

Over the past 15 years, the country's energy consumption has more than doubled-from 36.5 million barrels of oil in 1965 to or 93 million barrels in 1979. [as published]

By 1978, our oil importation reached staggering 23.3 percent of the entire Philippine import bill. This increased further last year, owing largely to the stiff oil price increases imposed by the Organization of Petroleum Exporting Countries.

To the consumer, oil prices which increased tenfold since 1972 triggered the price spiral of goods and services since the country's industries are largely dependent on oil for their continued operations.

Fortunately, the efforts of the government in tapping alternative sources of energy which are abundant here are rapidly coming to fruition.

GOVERNMENT BARES NEW COPPER FINDS

Manila PHILIPPINES DAILY EXPRESS in English 21 Jan 80 p 16

[Article by Rosario A. Liquicia]

[Text] The bureau of Mines has identified 21 prospective copper mines with an estimated ore reserve of 1.17 billion metric tons.

The copper prospects were explored by a mining team from the government agency last year.

Four of the 21 copper prospects are now being mined or in the process of being put into production within a few years.

Four mining firms will produce a combined output of 43,300 metric tons per day (TPD).

These are Batong Buhay 'n Kalinga, Apayao which will produce 6,000 TPD; Dizon copper project of Benguet Consolidated in San Marcelino, Zambales with an output of 17,000 TPD; Hercules Minerals in Ilocos Norte, 3,300 TPD; and North Davao Mining, with 27,000 TPD.

The mines bureau said three mining companies suspended exploration work on their respective properties.

Only one firm, however, cited lack of positive reserve in the area as reason for work suspension. The firm Benguet Consolidated, stopped exploration work on its property in Rapu-Rapu Island in Albay.

The two others are Trans-Asia Oil and Mineral Development which stopped work on its Puma copper project in Benquet and NADECOR (National Development Corp.), which also suspended operations at its Kingking copper project in Pantukan, Davao del Norte.

The Bureau of Mines also said that two copper companies are waiting for approval of their service contracts before further developing their properties.

These firms are Trident Mining and Industrial Corp. for its Bonot Copper project in Sulat, Eastern Samar, and Mankayan Minerals for its project in Mankayan, Benguet.

The other copper prospects explored by the mines bureau are the Hinobaan copper project of Lepanto Consolidated in Sipalay, Negros Occidental.

This particular project, according to the bureau, will require \$120 million to be operational.

COTTON FARMING PROFITABLE, MINISTRY STUDY SHOWS

Manila PHILIPPINES DAILY EXPRESS in English ? Jan 80 p 10

[Text]

SCIENTIFIC cotton farming is more profitable than the second-crop production of high-yielding palay, Burley tobacco, Virginia tobacco and native tobacco, according to a Ministry of Asrivalture study.

High-yielding cotton farms produced an average of 1,779 kilos per hectare, which at the support price of P4.40 per kilo, would fetch about P7,800.

The agriculture ministry survey covered a total of 515 farms in flocos Norte, Ilocos Sur, Pangasinan, La Union, Tarlac and Nueva Ecija during the 1978-79 cotton season. It was designed to determine input and output data, cost of production and profitability of cotton when compared to the five alternative second crops.

The study found that the most outstanding cotton grower among those included in the survey realized a yield of almost 6,000 kilos and a net profit of P23,000 from a one-

hectare farm.

THE HIGH yields of the outstanding cotton farmers were realized through close adherence to the technical recommendations of Philippine Cotton Corp. technicians, the study noted.

When low-yielding cotton farms, however, were included in computing the yield per hectare, the average output was reduced to only 847.7 kilos. Despite the lower output, the study found out that the average return to operator's resources per hectare was still slightly higher than farms that produced palay, and considerably higher than Burley-tobacco producing farms. Only Virginia and native tobacco farms edged out cotton in average returns.

Meanwhile, PhilCotton bared that the number of hectares planted to cotton in crop year 1979-80 is over 7,000 or more than double the total hectarage in the previous crop season.

CSG: 4220

ILOCOS FARMERS SHIFTING AWAY FROM TOBACCO

Manila PHILIPPINES DAILY EXPRESS in English 17 Jan 80 p 12

[Article by Abe P. Belena]

[Text]

SAN FERNANDO, La Union Philippine Virginia tobacco production is projected to register steep declines this year and beyond as more farmers in the llocos region are shifting to cotton and other more profitable cash crops.

Northern Luzon is the country's leading producer of tobacco.

Government officials monitoring the tobacco industry in the region unofficially said that the production decline has already started. It began in cropyear 1976 when outturn reached 40 million kilos to exceed yield of previous years.

Such a bumper tobacco crop led to price declines, mainly due to a faulty marketing system, forcing the farmers to turn to other crops, principally cotton, they added.

WITH government encouragement, many of the tobacco planters tried cotton and found it more profitable. In the last season they realized per hectare net incomes ranging from P5,000 to P20,000, according to Philippine Cotton Corp... a state firm.

In the case of tobacco, profits rarely go beyond P5,000 per hectare, and the average earning of farmers is P1,000, a bureau of plants study showed.

Cotton farming is still in its infancy in the flocos. It was introduced in 1977 by Philcotton after the government started a project to make the country self-sufficient in its cotton needs. This raw material of the textile in dustry continues to be imported by the Philippines.

PROJECTIONS made by the bureau show that of the 40,000 hectares planted in the floces to tobacco, about 10,000 hectares have been sown this year to cotton. The reduction in area devoted to tobacco translate into production declines, the bureau explained.

If the shift away from tobacco becomes more pronounced in the years ahead, the bureau roughly estimated that a 25 percent drop in the 30 million kilos of Virginia tobacco produced annually by the region should be expected.

Farmers in all the provinces making up Northern Luzon, but principally those in Ilocos Norte, Ilocos Sur and Abra, have gone in for other crops on a multi-cropping basis.

AGRICULTURAL officials describe such a development as recognition by the farmers of the logic in the government's exhortation for them to undertake multiple cropping to improve their income and yield of their farms.

Aside from cotton, other crops planted by the farmers include garlic, mongo beans, peanuts and grapes. In the case of grapes, farmers in this province have had encouraging results.

Other farmers have turned to fruit trees, specially mango, attracted by the dollar-earning potentials of the tropical fruit.

Tree-farming also being tried by ther farmers. This is attrating attention of the bureau of forest development since it can restore the depleted forest cover of the region.

DENUDATION of the forests has been traced principally to the region's to bacco in dustry. Large quantities of firewood are required for the flue-curing of the Virginia leaves.

with the sift away from tobace. To other crops, bureau officials expect a substantial slowdown in the forest denudation rate in the region. DEPTHnews

PHILIPPINES

BRIEFS

FISHERY EXPORTS UP--The local fisheries industry realized \$95 million (P700 million) in export earnings this year, up by 32 percent from 1978 export receipts of \$72 million. Volume of exports increased from 48,000 metric tons last year to 58,000 metric tons this year. Of all fishery products, frozen shrimps continued to be the top grosser with total earnings of \$31.34 million (P231 million). Frozen tuna ranked second with \$21.16 million (P156 million). Dried seaweeds, which used to be an unknown specie as far as exports were concerned, came third \$4.7 million (P35 million) (4.7 million) in export earnings. Among other fishery products exported by the country were: shellcrafts with \$4.7 million (P35 million); aquarium fish with \$2.3 million, (P17 million); frozen fish with \$2.03 million (P1' million); ornamental shell with \$1.62 million (P12 million); reptile skin, \$1.4 million (P11 million). The top fishery products importer of the country was Japan followed by the United States and Hawaii. Other major export markets for Philippine fishery products were Hongkong, Singapore, Guam, Australia France, Canada and West Germany. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 28 Dec 79 p 9]

CSO: 4220 END

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